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C 066734

DEBENTURE TRUST DEED

THIS DEBENTURE TRUST DEED (hereinafter referred to as the "Deed" and/or "Indenture") is made at Thrissur on this 28<sup>th</sup> day of December 2015.

BY AND BETWEEN

The SOUTH INDIAN BANK LIMITED, having CIN L65191KL1929PLC001017 a Public limited company established under The Companies Act, 1913 and a Scheduled Commercial Bank doing banking having its Head Office at SIB House, Mission Quarters, TB Road, Thrissur hereinafter called "the Bank " (which expression shall include its successors and assigns wherever the context or meaning shall so require or permit) of ONE PART,

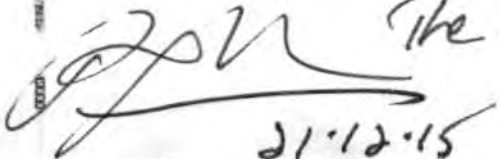
AND

For THE SOUTH INDIAN BANK LTD.

  
Managing Director & CEO



MUSY. K. JOSE  
VENDOR NO: 44  
M.O. ROAD, THRISSUR

  
21.12.15

No 66188 Cole 574 -  
The South Indian  
Bank Ltd  
Thrissur



FOR THE DIRECTOR AND BANK LTD

FOR THE DIRECTOR & CO



RECEIVED  
VENDOR NO 44  
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IDBI TRUSTEESHIP SERVICES LIMITED, having CIN U65991MH2001GOI131154 a company established under the Companies Act, 1956 (1 of 1956) having its Registered Office at Asian Building, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001 (hereinafter called "the Trustees/Debenture Trustee") (which expression shall include its successors and assigns and the Trustees for the time being wherever the context or meaning, shall so required or permit) of the OTHER PART.

#### WHEREAS

- A. In order to strengthen its capital adequacy and for enhancing its long term resources, the bank had, pursuant to approval of its Board of Directors at its meeting held on 15<sup>th</sup> July 2015 and shareholders resolution dated 15<sup>th</sup> July 2015 and in terms of the Information Memorandum dated September 29, 2015 (hereinafter referred to as the "Memorandum" or Disclosure Document") given to the prospective subscribers, the bank had decided to issue " Non-convertible, Redeemable, Unsecured, Basel III compliant Tier 2 Bonds in the nature of debentures for augmenting Tier 2 capital of the Issuer with face value of Rs.10,00,000 each (Bond)
- B. Pursuant to the applications received, the Bank allotted the Bonds amounting to Rs. 300 crores to one applicant with a "Deemed Date of Allotment" as 30-09-2015, as per the Disclosure Document dated 29-09-2015.
- C. The Bank has appointed IDBI Trusteeship Services Limited as the Trustees herein, for the benefit of the holders of the aforesaid Bonds by Agreement dated 28-09-2015.

**NOW THIS AGREEMENT WITNESSES AND IT IS HEREBY MUTUALLY AGREED AND DECLARED BY AND BETWEEN THE PARTIES HERETO AS UNDER:-**

#### DEFENITIONS

In this agreement, unless there is anything in the subject or context inconsistent therewith, the expressions mentioned below shall have the following meanings:-

- a. "Act" means The Companies Act, 2013 and other applicable provision of the Companies Act 1956.
- b. "Bank" means The South Indian Bank Ltd.
- c. "Bond" means " Non-Convertible, Redeemable, Unsecured, Basel III Compliant Tier 2 Bonds, for inclusion in Tier 2 Capital of the Bank in the nature of Debentures of Face Value



For THE SOUTH INDIAN BANK LTD.

  
Managing Director & CEO



of Rs. 10,00,000/- (Rupees Ten Lakhs) each ("Bonds") at par aggregating upto Rs. 300 Crores (Rupees Three Hundred Crores Only)"

- d. "Bondholders" or "Holders of Bonds" means the several persons who are beneficial owner(s) of bonds in electronic (dematerialized) form and whose names appear/s in the list of Beneficial Owners prepared/ provided by Depository viz, NSDL/ CDSL, as the case may be, as well as entered in the register of bond holders.
- e. "Business Day", means a day (other than a Sunday and any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881(26 of 1881)) or a Bank holiday) on which banks are open for general business in Mumbai.

Should any of the dates, other than the coupon payment date including the deemed date of allotment herein, falls on day which is not a business day, the immediately preceding business day shall be considered as the effective date, should the coupon payment date, as defined herein, falls on day which is not a business day, the immediately next business day shall be considered as the effective date. However the final coupon payment date shall not exceed the redemption date

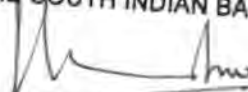
- f. "Deemed Date of Allotment", means 30-09-2015
- g. "Disclosure Document" or "Memorandum", means Disclosure Document/ Information Memorandum dated 29-09-2015 issued to the prospective subscribers, in respect of issue of Basel III Compliant Unsecured, Perpetual, non convertible Additional Tier 2 Bonds, in the nature of debenture of the face value of Rs.10 lacs each for aggregating to Rs. 300 crores.
- h. "Event of Default" means an event of default as set out herein:
- i. "Financial Covenants and Conditions", means the Covenants and Conditions in respect of the Bonds issued as mentioned in the Disclosure Document and more particularly set out in schedule I.
- j. "Meeting of the Bond Holders", means a meeting of the Bond Holders, duly called, covenant and held in accordance with the provisions set out in schedule II.
- k. "The Trustee" or "Trustee", means IDBI Trusteeship Services Limited, appointed by the Bank as per the agreement dated 28-09-2015.

All references in this Agreement to any provision of any statute shall be deemed also to refer to the statute, modification or re-enactment thereof or any statutory rule, order or regulation made there under or under such re-enactment.

All references in this Agreement to schedules, clauses, sub- clauses, paragraphs or sub- paragraphs shall be construed as reference respectively to the schedules, clauses, sub- clauses, and paragraphs sub- paragraphs of these presents.



For THE SOUTH INDIAN BANK LTD.

  
Managing Director & CEO



The provisions contained in the schedule hereunder written shall have effect in the manner as if they were specifically herein set forth.

## ARTICLE - I

### AMOUNT AND TERMS OF BONDS

#### 1.1. Amount of Bonds

The Bonds are "Basel III Compliant Unsecured, redeemable, non convertible Additional Tier 2 Bonds, in the nature of promissory notes of the face value of Rs.10,00,000/- each for aggregating to Rs. 300 crores.

#### 1.2. Nature and status of Bonds

The Bond will constitute direct, Tier II unsecured obligations of the Bank and shall rank pari-passu with the existing/ and future investors in Basel III compliant Tier II unsecured debt of the Bank. The Bonds shall be redeemed as per the terms and conditions stated in the Information Memorandum dated 29-09-2015.

The Bonds will be subject to the provisions of the Securities Contracts (Regulations) Act, 1956 and conditions as mentioned in the Information Memorandum, instructions contained in the application form and those incorporated herein, the provisions of Depositories Act, 1996 and the applicable laws, guidelines, notifications and regulations relating to the allotment and issue of capital and listing of securities issued from time to time by the Government of India, Reserve Bank of India, Circular DBOD.NO.BP.BC.6/21.06.201/2014-15 dated July 1, 2014 Read with RBI Circular DBOD.NO.BP.BC.38/21.06.201/2014-15 dated September 1, 2014 & amendment from time to time, Securities & Exchange Board of India, concerned stock exchange(s) or any other authorities and other documents that may be executed in respect of these bonds.

#### 1.3. Deemed date of allotment

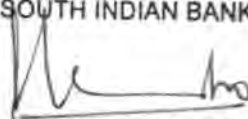
The deemed date of allotment is 30-09-2015 as mentioned in the Disclosure Document dt. 29-09-2015. All benefits relating to the Bonds are available from the "Deemed Date of Allotment".

#### 1.4. Interest on Bonds and Tax Deducted at Source (TDS)

The Bond shall carry interest at the coupon rate as mentioned in the Disclosure Document/ Letter of Allotment i.e. @ 10.25% p.a. payable annually from the Deemed Date of Allotment.

The Payment of interest shall be subject to deduction of Income Tax at the prevailing rate from time to time under the provisions of the Income Tax Act, 1961 or any other statutory modification or re-enactment thereof for which a certificate will be issued by the Bank, on

For THE SOUTH INDIAN BANK LTD.

  
Managing Director & CEO





the outstanding amount of the principal till redemption. For seeking TDS exemption/ lower rate of TDS, relevant certificate(s)/ document(s) must be lodged at least 30 days before the payment of interest becoming due with the DGM CFM Department at Head Office of Bank or to such other person(s) at such other address (es) as the Bank may specify from time to time through suitable communication.

### 1.5. Payment of Interest

- a) The interest will be payable annually to the Bondholders whose name appear in the list of Beneficial Owners given by the Depository to the Bank on the record date. The payment will be made by way of cheque (s)/ interest warrant(s) / demand draft(s)/ credit through direct credit/ NECS/ RTGS/ NEFT mechanism in INR. (subject to tax at source at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961, or any statutory modification or re-enactment thereof for which a certificate will be issued by the Bank) and to be dispatched to the sole/ first applicant seven working days before the due date by registered post at the sole risk of the Bondholders.
- b) The first interest payment shall be made on 31-03-2016 and the last interest payment will be made at the time of final redemption, interest on Bonds will cease on the date of final redemption in all events.
- c) If any interest payment date falls on a day which is not a Business Day, then the payment of interest will be made on the next working day i.e. a business day with interest for the intervening period without any liability for payment of interest on interest amount.
- d) The Bank will have following discretion regarding payment of interest/ coupon;

The issuer may elect at its full discretion to cancel (in whole or in part) coupon scheduled to be paid on Coupon Payment Date.

The issuer shall have full access to cancelled payments to meet obligations as they fall due.

Coupon on the Bonds will be non-cumulative, if coupon is not paid or paid at a rate lesser than the coupon rate, the unpaid coupon will not be paid in future years. Non-payment of coupon will not constitute an Event of Default in respect of the Bonds;

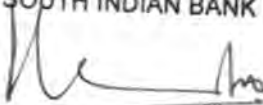
In the event that the issuer determines that it shall not make a payment of coupon on the Bonds, the issuer shall notify the Trustee not less than 21 calendar days prior to the relevant Coupon Payment Date of that fact and of the amount that shall not be paid.

- 1.6. The interest for each of the interest periods shall be calculated on Actual/ Actual basis (as per SEBI Circular no CIR/IMD/DF/18/2013 dated 29<sup>th</sup> October 2013), on the face value of principal outstanding on the Bonds at the coupon rate rounded off to the nearest rupee.

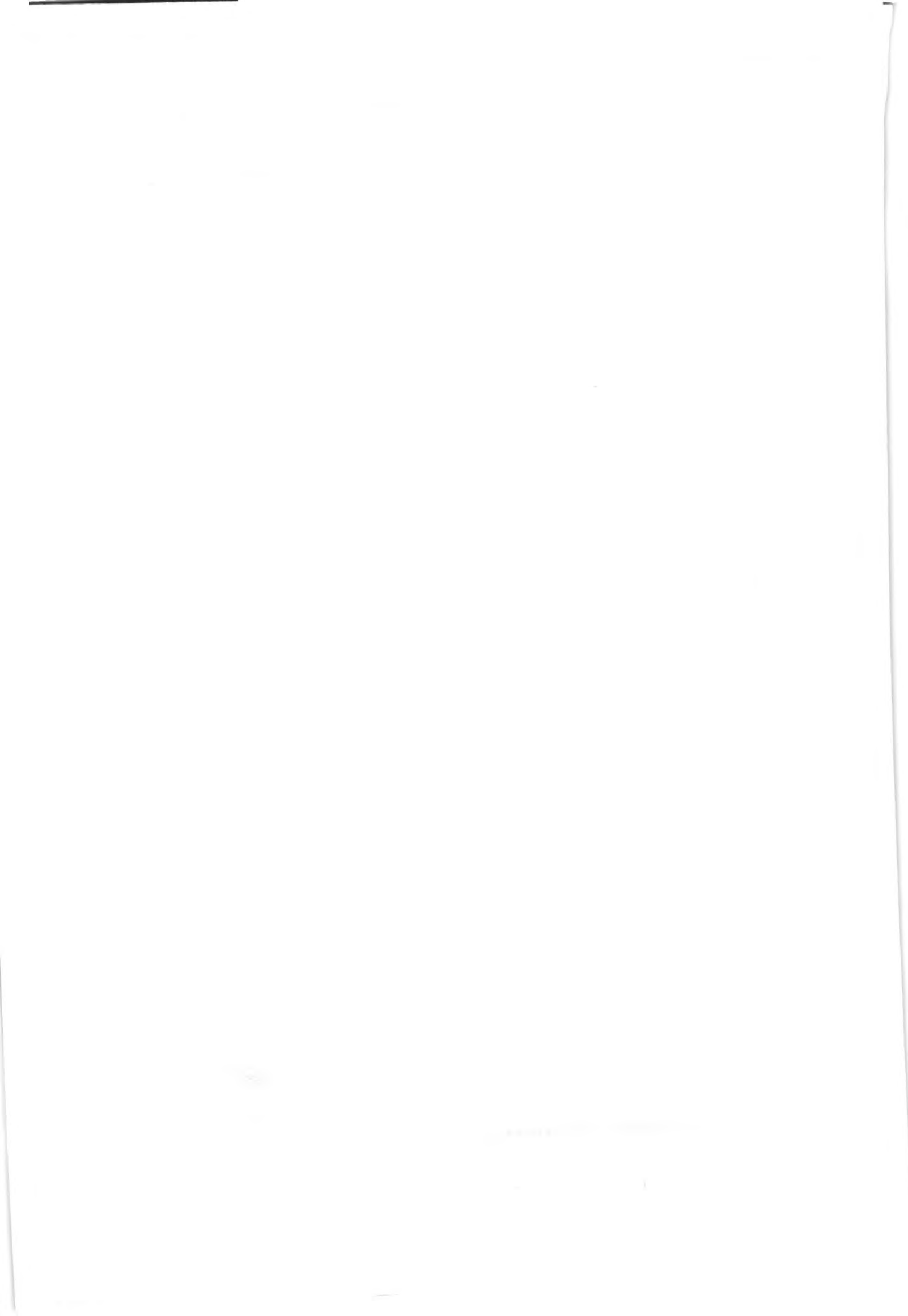
### 1.7. Depository Arrangement



For THE SOUTH INDIAN BANK LTD.

  
Managing Director & CEO







The Bank has appointed "BTS Consultancy Services Pvt. Ltd" at M S Complex, 1st Floor, Plot No.8, Sastri Nagar, Near RTO / 200 Feet Road, Kolathur, Chennai- 600099 as Registrars & Transfer Agents for the Bonds issue. The Bank has also made depository arrangements with National Securities Depository Limited (NSDL) and Central Depository Services India Ltd (CDSL) for the Bonds. The subscribers shall hold the Bonds only in the dematerialized form and deal with the same as per the provisions of Depositories Act, 1996 as amended from time to time.

#### **1.8. Listing of Bonds on Stock Exchanges**

The Bank has listed the Bonds in The Bombay Stock Exchange Ltd (BSE).

#### **1.9. Credit Rating**

"CARE A+" by CARE and "IND A+" by India Ratings & Research Private Limited

#### **1.10. Redemption**

The date of redemption is 31-10-2025

#### **1.11. Payment on Redemption**

The payment will be made by cheque(s)/ redemption warrant(s)/ demand draft(s)/ credit through RTGS/ ECS system in the name of Bondholder whose name appears on the list of beneficial owners given by the Depository to the Bank as on the record date. On the Bank dispatching the redemption warrants to such beneficiaries by registered post/ courier, the liability of the Bank shall stand extinguished.

The Bank shall take the Bonds as discharged on payment of the redemption amount on maturity as per the list of beneficial owners provided by NSDL/ CDSL/ Depository Participant. Such payment will be a legal discharge of the liability of the Bank towards the Bondholders. On such payment being made, the bank will inform NSDL/ CDSL/ Depository Participant and accordingly, the account of the Bondholders with NSDL/ CDSL/ Depository Participant will be adjusted.

The Bank's liability to the Bondholders towards all their rights including for the payment or otherwise shall cease and stand extinguished from the due date of redemption in all events. Further, the Bank will not be liable to pay any interest or compensation from the date of redemption, on the Bank dispatching the amount as specified above in respect of the Bonds, the liability of the Bank shall stand extinguished.

#### **1.12. Bonds are Unsecured**

The principal monies outstanding the Bonds, the interest accrued thereon and all other amounts payable in respect thereof, are unsecured and do not have any charge on the present or future assets of the Bank.

#### **1.13. Bonds Redemption Reserve**



For THE SOUTH INDIAN BANK LTD. 6

  
Managing Director & CEO



The Ministry of Corporate Affairs, Government of India has vide circular no. 11/02/2012-CL-V(A) dated February 11, 2013 clarified that no Debenture Redemption Reserve is required for debentures issued by Banking Companies for both public as well as privately placed debentures. Further Section 71(10) of the Companies Act, 2013 and Rule 18(7) b (i) of companies (share capital and debentures) Rules, 2014 clarified that no Debenture Redemption Reserve is required for both public as well as privately placed Bonds by the Banking Companies.

#### 1.14. Bondholder not a Shareholder

The Bondholders will not be entitled to any of the rights and privileges available to shareholders. If, however, any resolution affecting the rights attached to the Bonds is placed before the members of the Bank, such resolution will first be placed before the bondholders through the Trustees for their consideration.

#### 1.15. Transfer of Bonds

The Bonds shall be transferable subject to and in accordance with the rules/ procedures as prescribed by NSDL/ CDSL/ Depository Participants of the Transferor/ Transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of the Bonds held in electronic form. The seller should give delivery instruction containing details of the buyer's DP account to his Depository Participant.

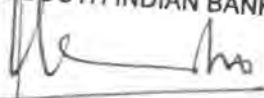
Transfer of Bonds to and from NRIs/ OCBs, in case they seek to hold the Bonds and are eligible to do so, will be governed by the then prevailing guidelines of RBI. The transferee(s) should ensure that the transfer formalities are completed prior to the record date. In the absence of the same, interest will be paid to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Bank.

#### 1.16. Rights of Bond holder(s)

- a) The Bond shall not, except as provided in the Act, confer upon the Bondholders any rights or privileges available to the members of the Bank including the right to receive notices or Annual Reports, or to attend and/ or vote, at the General Meeting of the Bank. However, if any resolution affecting the rights attached to the Bondholders is to be placed before the shareholders, the said resolution will be first placed before the concerned registered Bondholders for their consideration. In terms of Section 136 of the Act, Bondholders shall be entitled to a copy of the Annual Report on a specific request made to the Bank.
- b) The registered Bondholder or in case of joint - holders, the one whose name stands first in the register of Bondholders, shall be entitled to vote in respect of such Bond(s), either in person or by proxy, at any meeting of the concerned Bondholders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/ her voting rights shall be in proportion to the outstanding nominal value of Bonds held by him/ her on every resolution placed before such meeting of the Bondholders.



For THE SOUTH INDIAN BANK LTD. 7

  
Managing Director & CEO





- c) The quorum for such meetings shall be at least one third in number of the Bond holders subject to minimum one.
- d) The Bonds are subject to the provisions of the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970, The Companies Act, 2013, Securities Contract Regulation Act, 1956, terms of the Information Memorandum: instructions contained the application form and other terms & conditions mentioned herein. Over and above such terms & conditions, the Bond(s) shall also subject to the applicable, provisions of the Depositories Act, 1996, and the laws as applicable, guidelines, notifications and regulations relating to the allotment & issue of capital and listing of securities issued from time to time by the Government of India, Reserve bank of India, Securities and Exchange Board of India, concerned stock exchange(s), or any other authorities and other documents that may be executed in respect the Bonds.
- e) Save as otherwise provided in the Information Memorandum, the provisions contained in the Companies Act, 2013 and Rule made there under as prevailing and to the extent applicable, will apply to any meeting of the Bondholder(s), in relation to matters not otherwise provided for in terms of the issue of the Bond(s).
- f) A register and index of Bondholders to be maintained by the Bank in accordance with Section 88 of the Act and shall be maintained by a Depository under Section 11 of the Depositories Act, 1996 as provided in section 88 of the Act. A list of such Bondholders shall be furnished to the Trustees and changes if any will be communicated to the Trustees immediately. All interest and principal sums becoming due and payable in respect of the Bonds will be paid to the registered holder thereof of the time-being.
- g) The Bonds will be free from equities or cross claims by the Bank against the original or any intermediate holders thereof.

#### 1.17. Variation of Bondholder's Rights

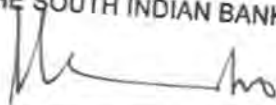
The rights, privileges, terms and conditions attached to the Bonds may be varied, modified or abrogated with the consent in writing of those holders of the Bonds who hold at least three fourth of the outstanding amount of the Bonds or with the sanction accorded pursuant to a Special Resolution passed at a Meeting of the Bondholders; provided that nothing in such consent or resolution modifies or varies the terms and conditions of the Bonds, if the same are not acceptable to the Bank.

#### 1.18. Amendment to the Trust Deed/ Terms of the Bonds

The Bank may amend the trust deed/ terms of the bonds at any time by a resolution passed at a meeting of the bond holders with the consent of the bond holders holding in the aggregate of more than 50% in nominal value of the bond held and outstanding from those present and voting.



For THE SOUTH INDIAN BANK LTD.

  
Managing Director & CEO





### 1.19. Provision for meetings of Bondholders

The provisions as set out in the Schedule II hereto, shall apply to the meetings of the Bondholders.

### 1.20. Trustees to be Agents of Bondholders

According to the terms of issue as incorporated in the Disclosure Document dated 29-09-2015, the bondholders shall be deemed to have irrevocably given their consent to the Trustees or any of their agents or authorized officials to do all such act, deed and matters and things in respect of or relating to the Bonds as the Trustees may in their absolute discretion deemed necessary or required to be done in the interest of the Bondholders and that any payment made by the Bank to the Trustee on behalf of Bondholders shall discharge the Bank pro-tanto to the Bondholders. Further, no Bondholders shall be entitled to proceed directly against the Bank unless the Trustees, having become so bound to proceed, fail to do so.

### 1.21. Notices

All notices to the Bondholders required to be given by the Bank or the Trustees shall be published in one English and one Malayalam newspaper in Thrissur and/ or will be sent by registered post/ courier to the sole/ first allottee or sole/ first beneficial owner of the Bonds, as the case may be from time to time.

All the notices to be given by the Bondholders shall be sent by Registered post or by hand delivery to the Bank or to such persons at such address as may be notified by the Bank from time to time.

## ARTICLE - II

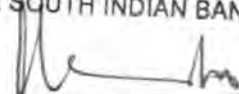
### EVENTS OF DEFAULT AND REMEDIES

If one or more of the events specified herein happen(s), the Trustees may, in their discretion, and shall, upon request in writing of the holders of the Bonds of an amount representing not less than three-fourths in value of the nominal amount of the Bonds for the time being outstanding or by a Special Resolution duly passed at the meeting of the Bondholders held in accordance with the provisions set out in Schedule II hereto by a notice in writing to the Bank initiate the following course of action;

- a) Take up the matter regarding default with the bank.
- b) Initiate necessary steps towards recovery of dues in terms of SEBI/ Statutory/ Regulatory guidelines.



For THE SOUTH INDIAN BANK LTD.

  
Managing Director & CEO



## 2.1 Events of Default

### a) Default in payment of principal & Interest

Default has occurred in the payment of principal sums of the Bonds on the due dates and / or default has been committed in payment of two consecutive installment of interest on the Debentures and such default has continued for a period of thirty days except in the case where "Point of Non Viability (PONV) Trigger" as described in RBI Circular dt. 01.09.2014 arises.

### b) Default in performance of Covenants and Conditions

Default has occurred in the performance of any other covenants, conditions of offer document or information memorandum and under this agreement or any other agreement on the part of the Bank and such default has continued for a period of thirty days after notice in writing thereof has been given to the Bank by Bondholders.

### c) Supply of Misleading Information

Any information given by the Bank in its Information Memorandum/ Offer Document, in the reports and other information furnished by the bank in accordance with the Reporting System and the warranties given deemed to have been given by the Bank to the Bondholders/ Trustees is misleading or incorrect in any material respect.

### d) Cessation of Business

The Bank without the consent of Bond holder ceases to carry on its business or give notice of its intension.

### e) Proceedings against Bank

The Bank has voluntary or involuntary become the subject of proceedings under any bankruptcy or insolvency law or Bank is voluntarily or involuntarily dissolved.

### f) Inability to Pay Debts on Maturity

The Bank is unable or has admitted in writing its inability to pay its debts as they mature.

### g) Extra - Ordinary Circumstances

If extra-ordinary circumstances have occurred which make it improbable for the Bank to fulfill its obligations under this agreement.

### h) Appointment of Receiver or Liquidator



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For THE SOUTH INDIAN BANK LTD.

Managing Director & CEO







A Receiver or Liquidator has been appointed or allowed to be appointed of all or any part of the undertaking of the Bank and such appointment is not dismissed within 60 days of appointment.

**i) Liquidation or Dissolution of the Bank**

The Bank has taken or suffered to be taken any action for its reorganization, liquidation or dissolution.

**2.2 Notices on the Happening of an Event of Default**

If any event of default or any event which, after the notice, or laps of time, or both, would constitute an event of default has happened, the Bank shall, forthwith give notice thereof to the Bondholders/ Trustees in writing specifying the nature of such event of default, or such event.

**2.3 Rights in case of Default**

- a) In the event of the default mentioned herein, the Trustees shall be entitled to initiate such legal proceedings whether civil, criminal or for liquidation against the Bank as the Trustees may deem fit or as may be decided in the meeting of the Bondholders as per the provisions mentioned in the Schedule hereunder. Such legal action shall be taken for and on behalf of all the Bondholders then outstanding and the trustees shall either request the Bondholders to make available the funds for taking legal action or get itself reimbursed from the Bondholder or from the amount recovered from the Bank. The receipt of funds from Bondholders prior to taking action against the Bank shall not be a pre-condition for the trustees to take the action.
- b) The amount that may be recovered from the Bank by the Trustees, whether by such legal action or otherwise, shall be distributed by the Trustees amongst the Bondholders pro-rata in proportion to the amounts then outstanding and due to them, provided however the Trustees shall be entitled to first deduct from the amount so recovered all the costs and expenses incurred by the Trustees for realisation of the amount and the remuneration of the Trustees then outstanding.
- c) The Bondholder shall be entitled to proceed directly against the Bank with prior intimation to the Trustees. In the event of such Bondholder/s joining the Trustees as "Party Defendant", the Trustees shall be entitled to reimbursement of expenses for defending such suit from such Bondholder.

**2.4 Expenses of Preservation of Assets of the Bank and of Collection**

All expenses incurred by the Bondholders/ Trustees after an event of default has occurred in connection with:-

- a) Preservation of the Bank's assets (whether then or thereafter existing); and
- b) Collection of amounts due under this Agreement shall be payable by the Bank.



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For THE SOUTH INDIAN BANK LTD.

*[Signature]*  
Managing Director & CEO



## 2.5 Appointment of Nominee Director

On the happening of any of the Events of Default, in addition to the rights specified above, the Debenture Holders / Debenture Trustee shall have the right to appoint a nominee on the Board of Directors of the Issuer (hereinafter referred to as "the **Nominee Director**") in the event of:

- a) two consecutive defaults in payment of Interest to the Debenture holders; or
- b) default in redemption of the Debenture / Debentures.

The Nominee Director so appointed shall not be liable to retire by rotation nor shall be required to hold any qualification shares. The Issuer shall take steps to amend its Articles for the purpose if necessary.

## ARTICLE III

### GENERAL AFFIRMATIVE COVENANTS

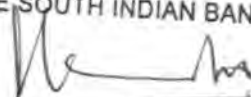
The Bank hereby covenants with the Trustees that the Bank will at all times during the period this agreement is effective, except as may otherwise be previously agreed in writing by the Trustees.

- 3.1 Carry out and conduct its banking business with due diligence and efficiency and in accordance with guidelines/ laws as applicable to banking from time to time, with qualified and experienced management and personnel.
- 3.2 Utilise the monies received towards subscription of the Bonds for the purpose for which it is raised.
- 3.3 Keep proper books of accounts as required by the Act and other relevant Acts and make therein the true and proper entries of all dealings and transactions of and in relation to the Bonds issue and business of the Bank and keep the said books of accounts and other books, registers and other documents relating to affairs of the Bank at its Head Office.
- 3.4 Permit the Bond trustee to enter the bank's premises for inspection of books of accounts and records.
- 3.5 Furnish information required by the Bond trustee for the effective discharge of its duties and obligations, including copies of reports, balance sheets, profit and loss account etc.
- 3.6 Reimburse all the sums paid and expenses incurred by the Trustees or any Receiver, Attorney, Manager, Agent or other person appointed by the Trustees for all or any of the purpose mentioned in these presents immediately on receipt of a notice of demand from them

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For THE SOUTH INDIAN BANK LTD.

  
Managing Director & CEO



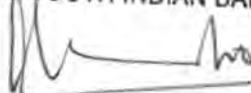


in this behalf and all such sums shall carry interest at Minimum Lending Rate, as from the date when the same shall have been advanced, paid or become payable or due and as regards liabilities, the Bank will, on demand pay and satisfy or obtain the releases of such persons from such liabilities and if any sum payable under these presents shall be paid by the Trustees, the Bank shall, forthwith on demand, reimburse the same to the Trustees.

- 3.7 Promptly inform the Trustees if it has notice of any application for winding up having been made or any statutory notice of winding up under the Act or otherwise of any suit or other legal process intended to be filed or initiated against the Bank and affecting the title to the Bank's properties or if a Receiver is appointed of any of its properties or business or undertaking.
- 3.8 Promptly inform the Trustees of the happening of any strikes, lockouts, shut-down, fires or any event likely to have a substantial effect on the Bank's profits or business and of any material changes in the business or the volume with an explanation of the reasons thereof.
- 3.9 Submit to the Trustees its unaudited financial results on a quarterly basis, immediately after the same are approved by the Board of Directors. In case of variation of more than 20% in the unaudited and audited financial results, it will be reported to the Trustees. The Bank shall also submit the audited annual accounts, within six months from the close of its accounting year. In addition, the Bank shall submit such financial information in the format and periodically as required by the Trustees.
- 3.10 Inform Trustee about any change in nature and conduct of business by the Bank before such change.
- 3.11 Inform the Trustee of any significant change in the composition of its Board of Directors.
- 3.12 Pay all such stamp duty on Bonds (including any stamp duty) other duties, taxes, charges and penalties, if and when the Bank may be required to pay according to the laws for the time being in force.
- 3.13 Promptly inform Bond Trustee a periodical report containing the following particulars:
- Updated list of the name and address of the Bond holder.
  - Details of interest due but unpaid and reasons thereof.
  - The number and nature of grievances received from Bond holders and (a) resolved by the Bank (b) unresolved by the Bank and reason for the same.
- 3.14 Submit to the Stock Exchange for dissemination along with the Half Yearly Financial Results, a half yearly communication, countersigned by Trustees, containing inter alia the following information:
- Credit rating;
  - Asset cover available;
  - Debt-equity ratio;



For THE SOUTH INDIAN BANK LTD.

  
Managing Director & CEO

- d) Previous due date for the payment of interest/ principal and whether the same has been paid or not; and
- e) Next due date for the payment of interest/ principal

3.15 The Bank shall comply with all directions/ guidelines issued by a regulatory authority, with regard to the Bond issue and submit such information as required by the Trustee from time to time.

#### ARTICLE - IV

#### GRIEVANCES OF BONDHOLDERS

##### 4.1 Bank to Redress Grievances:

The Bank shall appoint Compliance Officer for the purpose of providing prompt and efficient investor service. The Compliance Officer shall also attend to investor grievances / complaints on a continuous basis. The committee of Board of Directors of the company shall review compliance under various regulations prescribed under the Companies Act, 2013 and other corporate laws, listing agreement and regulations/ guidelines issued by SEBI.

#### ARTICLE - V

#### RIGHTS, POWERS AND DISCRETIONS OF TRUSTEES

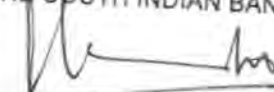
##### 5.1 General Rights, Powers and Discretions

In addition to the other powers conferred on the Trustees and provisions for their protection and not by way of limitation or derogation of anything contained in this Agreement nor of any statute limiting the liability of the Trustees, IT IS EXPRESSLY DECLARED as follows:

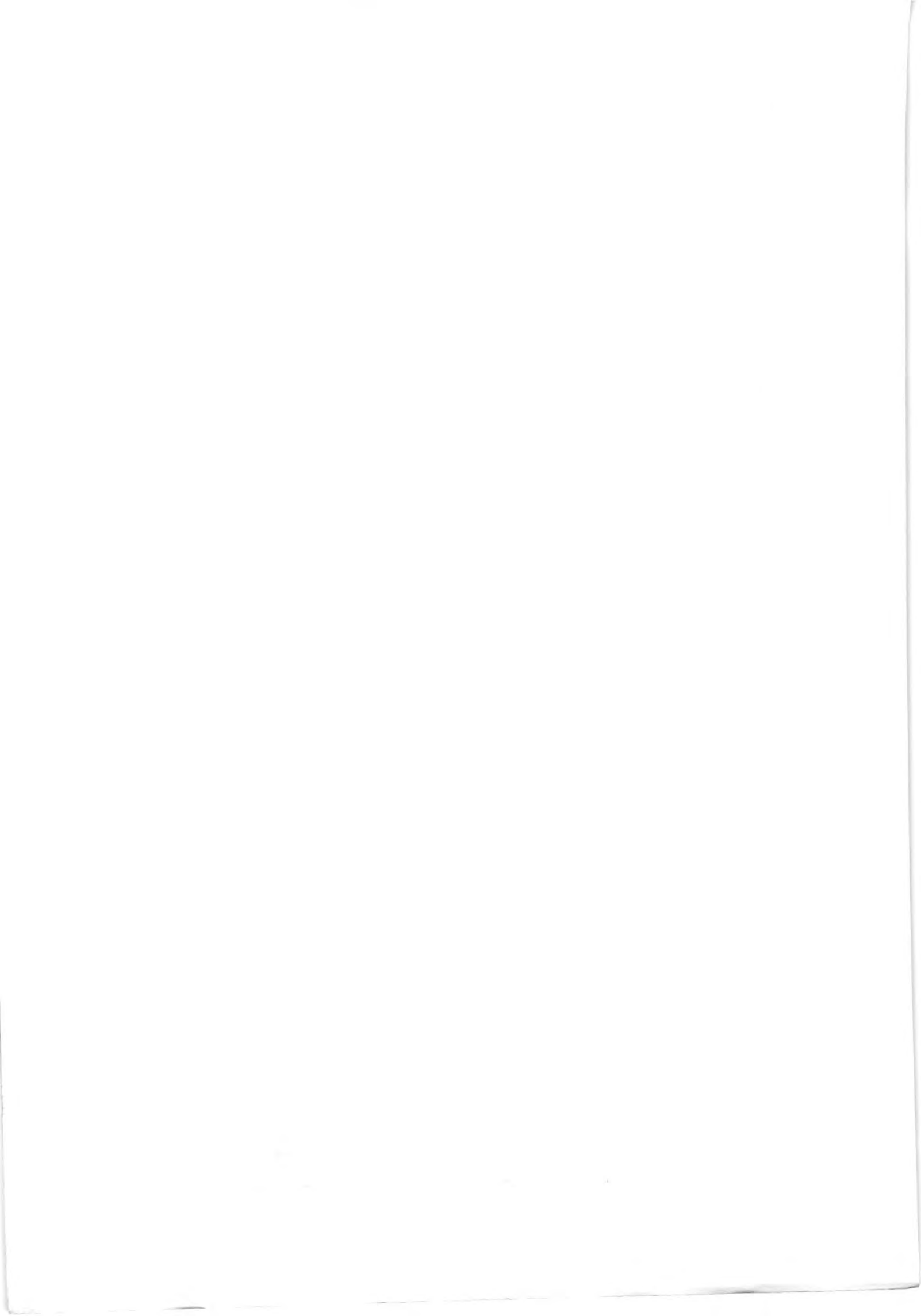
- a) The Trustees shall not be bound to give notice to any person of the execution of this Agreement or in any way to interfere with the conduct of the Bank's business unless and until the rights under the Bonds shall have become enforceable and the Trustees shall have determined to enforce the same.
- b) Save as herein otherwise expressly provided the Trustees shall, as regards all trusts, powers, authorities and discretions, have absolute and uncontrolled discretion as to the exercise thereof and to the mode and time of exercise thereof to protect the interest of the investors.
- c) With a view to facilitating any dealing under any provision of these presents the Trustees shall have full power to consent (where such consent is required) to a specified transaction or class of transactions conditionally, to protect the interest of the investors.
- d) The Trustees shall not be liable for any financial liability to repay the bond money but liable for damages for negligence or act of omission or commission.



For THE SOUTH INDIAN BANK LTD.

  
Managing Director & CEO





- e) The Trustees shall have power except under PONV, to appoint nominee director on the board of directors of the Bank in the event of
- (i) two consecutive defaults in payment of interest to the bond holders or
  - (ii) default in redemption of bonds.
- f) The Trustees shall not be responsible for acting upon any resolution purporting to have been passed at any meeting of the Bondholders in respect whereof minutes have been made and signed even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not valid or binding upon the Bondholders.
- g) The Trustees shall have full power to determine all questions and doubts arising in relation to any of the provisions of this Agreement and every such determination bona fide made (whether or not the same shall relate wholly or partially to the acts or proceedings of the Trustees) shall be conclusive and binding upon all persons interested hereunder.
- h) The Trustees thereof being a company may, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in them act by an officer or officers for the time being of the Trustees and the Trustees may also, whenever they think it expedient, delegate by Power of Attorney or otherwise to any such officer all or any of the trusts, powers, authorities and discretions vested in them by these presents and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as the Trustees may think fit.
- i) The Trustees may, in carrying out the trust business, employ and pay any person or concur in transacting any business and do or concur in doing all acts required to be done by the Trustees including the receipt and payment of moneys provided trustees shall at all times exercise due diligence, ensure proper care and exercise independent professional judgment and shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by them in connection with the trusts hereof and also their reasonable charges in addition to the expenses incurred by them in connection with matters arising out of or in connection with these presents as may be mutually agreed in addition to the fees and charges agreed to be paid as stated herein, with the necessary intimation to the Bank.
- j) Notwithstanding anything hereinbefore contained-
- (i) the Trustee shall deal with the complaints of the Bond holders received through the Bank or direct and try to answer or remedy the same as far as it is possible,
  - (ii) The Trustee shall ensure that the information memorandum does not contain any matter which is inconsistent with the terms of the Issue or the Bonds, or with this Deed;
  - (iii) The Trustee shall communicate promptly to the bondholders of any defaults in relation to the payment of interest or in redemption of the Bonds by the Bank, and the actions taken by the Trustee therefore;



For THE SOUTH INDIAN BANK LTD.

Managing Director & CEO



- (iv) The Trustee shall satisfy himself that the covenants in this Deed are not prejudicial to the interest of the bondholders.
- (v) The Trustee shall ensure that the Bank does not commit any breach of the terms of the issue or covenants of this Deed and take such reasonable steps as may be necessary to remedy any such breach;
- (vi) The Trustee shall inform the bondholders immediately of any breach of the terms of the issue or covenants of this Deed;
- (vii) The Trustee shall call for reports on the utilization of funds raised by the issue;
- (viii) The Trustee shall inspect the books of accounts records, register of the Bank to the extent necessary for discharging his obligations,
- (ix) The Trustee shall do such acts as are necessary for the protection of the Bond holders and do all things necessary in order to resolve the grievance of the Bond holders,
- (x) The Trustee shall ensure that:
- a) Bonds are allotted to the Bond holders in accordance with the provisions of Companies Act;
  - b) Interest warrants for interest due on Bonds have been dispatched to the Bond holders on or before the due dates;
  - c) Bond-holders have been paid the monies due to them on the date of redemption of the Bonds,
- (xi) The Trustee shall exercise due diligence to ensure compliance by the Bank with the provisions of the Companies Act, or this Deed,
- (xii) The Trustee shall take appropriate measures for protecting the interest of the Bond holders as soon as any breaches of this Deed or of law come to his notice,
- (xiii) The Trustee shall ascertain that the Bonds have been redeemed in accordance with the provisions and conditions, under which they are offered to the Bond holders,
- (xiv) The Trustee shall call or cause to be called by the Bank a meeting of all Bond holders on  
(i) a requisition in writing signed by at least one tenth of the Bond holders in value for the time being outstanding or (ii) the happening of any event which constitutes a default or which in the opinion of the Trustee affects the interest of the Bond holders.
- (xv) The Trustee shall keep and maintain proper books of accounts, record and documents relating to the Trusteeship function for a period of two years from the date of redemption;
- (xvi) The Trustee shall as and when required by the SEBI, submit the following information and documents namely:
- a) Number and nature of the grievances of the Bondholders received and resolved;
  - b) Copy of this Trust Deed/ Agreement



For THE SOUTH INDIAN BANK LTD.

  
Managing Director & CEO







- c) Non-payment or delayed payment of principal amount of Bonds and accumulated interest thereon to Bond-holders if any,
  - d) Details of allotment and transfer of Bonds giving thereon the date mode etc;
  - e) Any other particulars or documents which are relevant to the Bond trust,
- (xvii) The Trustees shall take appropriate action on receipt of notice in writing to perform, exercise or do or take any of such steps as aforesaid by the holders representing not less than three fourths of the nominal amount of the Bonds for the time being outstanding or by the Special Resolution duly passed at a meeting of the Bondholders;

## 5.2 Power of Trustees to Delegate

The Trustees hereof being a company may in the execution and exercise of all or any of the trusts, powers, authorities and discretion's vested in them, act by an officer or officers for the time being of the Trustees and the Trustees may also, whenever they think it expedient, delegate by Power of Attorney or otherwise to any such officer all or any of the trust, powers, authorities and discretion vested in them by these presents and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as the Trustees may think it.

## 5.3 Retirement and Removal of Trustees

### (a) Retirement

The Trustees hereof may retire at any time after giving at least one month's previous notice in writing to the Bank in that behalf, in the event of any other Trustee being appointed by the Bank. Bank shall take expeditious steps upon receipt of such notice to appoint as new trustees, anybody corporate holding valid license from SEBI in place of existing trustees.

### (b) Removal

The Bondholders may for sufficient cause but, after giving not less than two month's notice in writing, remove the Trustee by passing a Special Resolution to that effect, and by the same resolution nominate an entity competent to act as their trustee and require the Bank to appoint such entity as the Successor Trustee. The Bank shall within 15 days of receipt of such resolution passed by the bondholders take all necessary steps to appoint the entity named in the resolution as the Successor Trustee and complete all necessary formalities to give effect to such appointment.

For the purpose aforesaid, forthwith upon receipt of the notice of retirement from the Trustees for the time being hereof or on the occurrence of the vacancy in the office of the Trustees hereof, the Bank shall convene a meeting of the Bondholders for appointment of new Trustees.

### (c) Successor Trustee

Upon appointment of the Successor Trustee pursuant to the preceding sub-clause 5.3(a), all references in this Agreement to the Trustee shall unless repugnant to the context mean and

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For THE SOUTH INDIAN BANK LTD.

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refer to the Successor Trustee and the Successor Trustee shall without any further act or deed succeed to all the powers and authorities of the Trustee as if it had been originally appointed as the Trustee.

Notwithstanding anything mentioned in the preceding paras, the Trustee shall not vacate its office and shall continue to act as such, till the new Trustee appointed.

#### 5.4 Trustees Remuneration

The Bank shall pay to the Trustees remuneration as mentioned in the letter Ref. No. 2447/IIISL/OPR/CL/15-16/BT/351 dated 27<sup>th</sup> July 2015 and Bond Trustee Agreement dated 28.09.2015 for their services as Trustee plus applicable Service Tax. The fee and the year for this purpose would be reckoned from the deemed date of Allotment till redemption of bonds fully.

### ARTICLE VI

#### NOTICES

- 6.1 Any notice required to be served on the Trustees may be served on the Trustees by sending it through Registered post in prepaid letter addressed to the Trustees, in case of present Trustees at its Head Office in Mumbai and in respect of the Trustees similarly at such address as may be notified by such new Trustees in this behalf.
- 6.2 Any notice required to be served on the Bank may be duly served by sending through Registered post at its Head Office.
- 6.3 Any notice may be served by the Bank or the Trustees on the holder of any Bonds by sending through post in prepaid letter addressed to such Bondholders at his Registered Address and any notice so sent by post, shall be deemed to have been duly served on the third day following the day in which it is posted and in proving such service it shall be sufficient to prove that the letter containing the notice was properly addressed and put into post box.

### ARTICLE - VII

#### WAIVER AND INFORMATION MEMORANDUM

##### 7.1 Waiver

Notwithstanding anything stated in this Agreement, the Trustee may, from time to time, or at any time waive on such terms and conditions as it shall deem expedient, any breach by the Bank of any of the covenants and provisions contained in this Agreement except breach in payment of interest and principal amount, without prejudice to the rights of the Trustee in respect of any subsequent breach thereof.



For THE SOUTH INDIAN BANK LTD.

Managing Director & CEO



## 7.2 Information Memorandum to prevail

It is specially agreed between the Trustees and the Bank that in case of any repugnancy, inconsistency or where there is a conflict between the conditions as are stipulated in these presents and the Information Memorandum referred above, the conditions as stated in the Information Memorandum dated 29-09-2015 shall prevail and override the provisions of these presents.

## ARTICLE - VIII

### BANK'S REPRESENTATION AND COVENANTS

#### 8.1 Representations

On the date hereof and on every redemption payment and coupon payment date, the Bank makes the representations and warranties to the Trustee as set out below:

##### 8.1.1 Status

The Bank is a company, duly incorporated and validly existing under the law of its jurisdiction of incorporation, and has the right to own its assets and carry on its business as it is being conducted, under the law of its jurisdiction of incorporation.

##### 8.1.2 Binding obligations

The obligations expressed to be assumed by the Bank under each of the Transaction Documents, to which it is a party, are legal, valid, binding and subject to any general principles of law limiting its obligations.

##### 8.1.3 Non-conflict with other obligations

The entry into and performance by the Bank of, and the transactions contemplated by, the Transaction Documents to which it is a party, do not and will not conflict with:

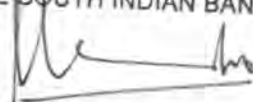
- a) any Applicable Law or order, writ, injunction or decree of any court or Governmental Authority having jurisdiction over the Bank;
- b) its constitutional documents; or
- c) any agreement or instrument binding upon it or any of its assets,

##### 8.1.4. Validity and admissibility in evidence

All authorisations required or desirable to make the Transaction Documents to which the Bank is a party, admissible in evidence in its jurisdiction of incorporation, have been obtained or effected and are in full force and effect.



For THE SOUTH INDIAN BANK LTD.

  
Managing Director & CEO



### 8.1.5 No default

No Default is continuing or might reasonably be expected to result from the entering into or performance by the Bank of any of the Transaction Documents.

### 8.1.6 No misleading information

Any factual information provided by or on behalf of the Bank in connection with the issue of the Debentures was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

### 8.1.7 No proceedings pending or threatened

No litigation, arbitration, investigative or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, will have a Material Adverse Effect have (to the best of its knowledge and belief) been started or threatened against the Bank.

### 8.1.8 Title

The Bank has good and marketable title to or valid leases and licences of or is otherwise entitled to use, all material assets necessary or desirable for it to carry on its business as it is being or is proposed to be conducted.

### 8.1.9 No immunity

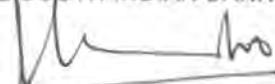
The Bank's assets are not entitled to immunity from suit, execution, attachment or other legal process India. The execution of this Deed constitutes, and the exercise of its rights and performance of and compliance with its obligations under this Deed will constitute, private and commercial acts done and performed for private and commercial purposes.

### 8.1.10 Solvency

- a) The Bank is able to, and has not admitted its inability to, pay its debts as they mature and has not suspended making payment on any of its debts.
- b) The Bank, by reason of actual or anticipated financial difficulties, has not commenced, and does not intend to commence, negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.
- c) The value of the assets of the Bank is more than its liabilities (taking into account contingent and prospective liabilities) and it has sufficient capital to carry on its business.
- d) No moratorium has been, or may, in the reasonably foreseeable future be, declared in respect of any indebtedness of the Bank.



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For THE SOUTH INDIAN BANK LTD.

  
Managing Director & CEO



### 8.1.11 Approvals

Except for any approvals as may be required in connection with the Project/business subsequent to the date hereof, the Bank hereby confirms that all approvals necessary under Applicable Law with respect to the business of the Bank, have been taken by it and the same are valid and subsisting as at the date hereof.

### 8.1.12 Defaulter's List

The names of the Bank and/ or its directors do not figure in any list of defaulters circulated by the Reserve Bank of India or any bank or financial institution nor do the names of its directors appear in caution list issued by Reserve Bank of India/ ECGC / Director General of Foreign Trade etc.

## 8.2 Covenants and Undertakings

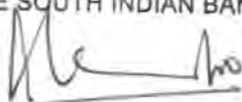
The Bank agrees and undertakes to abide by the covenants and undertakings set out below:

### 8.2.1 Information: miscellaneous

- (A) The Bank shall supply to the Trustee (sufficient copies for all Debenture Holder(s) if the Trustee so requests):
- (i) all documents dispatched by it to its shareholders (or any class of them) or its creditors generally at the same time as they are dispatched;
  - (ii) promptly upon becoming aware of them, the details of any event which may have a Material Adverse Effect;
  - (iii) audited financial statements for a financial year (including statutory auditors, directors' annual report, profit and loss accounts and a balance sheet) by no later than 6 (six) months from the end of the relevant financial year
  - (iv) at the end of every six months from the Date of Allotment, a certificate from an authorised officer of the Bank with respect to the use of the proceeds raised through the issue of Debentures;
  - (v) by no later than 30 (thirty) days from the date of execution of this Deed, a certificate signed by an authorised officer of the Bank confirming issue of Debenture Certificates or credit of dematerialised debentures into the depository accounts of the Debenture Holder(s);
  - (vi) upon there being any change in the credit rating assigned to the Debentures, as soon as reasonably practicable thereafter, a letter notifying the Trustee of such change in the credit rating of the Debentures;
  - (vii) At the end of every calendar quarter, a report confirming the following:



For THE SOUTH INDIAN BANK LTD.

  
Managing Director & CEO



- a) Updated list of names and address of all the Debenture Holder(s);
  - b) Details of interest due but unpaid, if any, and reasons for the same;
  - c) Details of payment of interest made on the Debentures in the immediately preceding calendar quarter;
  - d) That the number and nature of grievances received from the Debenture Holder(s) and (a) resolved by the Bank (b) unresolved by the Bank and the reasons for the same.;
- (vii) Promptly, notice of any change in its authorised signatories (in connection with the Transaction Documents), signed by one of its directors or its company secretary, whose specimen signature has previously been provided to the Trustee, accompanied (where relevant) by a specimen signature of each new signatory;
- (B) The Bank shall submit to the stock exchange for dissemination, along with the half yearly financial results, a half- yearly communication, counter signed by the Debenture Trustee, containing inter-alia the following information:
- (i) Credit rating of the Debentures;
  - (ii) Debt-Equity ratio;
  - (iii) Previous due date for the payment of interest/principal and whether the same has been paid or not; and
  - (iv) Next due date for the payment of interest/principal.

**8.3 Notification of default**

The Bank shall notify the Trustee and Bonds holders of any Event of Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.

**8.4 General Undertakings**

- (a) The Bank shall promptly:
  - (i) obtain, comply with and do all that is necessary to maintain in full force and effect; and
  - (ii) supply certified copies to the Trustee of,

any authorisation required under any law or regulation to enable it to perform its obligations under the Transaction Documents (including, without limitation, in connection with any payment to be made hereunder) and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of the Transaction Documents.



For THE SOUTH INDIAN BANK LTD.

*[Handwritten Signature]*  
 Managing Director & CEO



- (b) The Bank shall promptly make the registrations, obtain all authorisations and otherwise comply with other requirements under Applicable Law.
- (c) The Bank shall, at all times, obtain and maintain, or cause to be obtained and maintained, in full force and effect (or where appropriate, renew) all clearances/ authorizations required for the purposes of the Project/business and all transactions as contemplated by the Transaction Documents, non procuring or non renewal whereof shall have a Material Adverse Effect.
- (i) The Bank shall ensure that all Transaction Documents, when executed, shall constitute its legal, valid and binding obligation under the provisions of Applicable Law;
- (ii) The Bank shall discharge its obligations in connection with the Debentures in a reasonable and prudent manner;
- (iii) The Bank shall not, without the prior approval of the Debenture Trustee, undertake or enter into any amalgamation, demerger, merger or corporate restructuring or reconstruction scheme proposed;
- (iv) The Bank shall take all steps for completion of the formalities for listing and commencement of trading at all the concerned stock exchange(s) where the Debentures are to be listed and taken by no later than fifteen (15) Business Days from the date of allotment of the Debentures.
- (v) The Bank shall not make any further issue of securities of similar tenor on terms better than those offered under the present issue, for a period of 3 months from the Date of Allotment or till the application moneys have refunded on account of non-listing, under-subscription, etc of the Debentures;
- (vi) The Bank shall pay and discharge all taxes, rates, rents and governmental charges upon the Bank or its assets under Applicable Laws;
- (vii) The Bank shall attend to the complaints received in respect of the Debentures expeditiously and satisfactorily.
- (viii) The Bank shall punctually pay all rents, royalties, taxes, rates, levies, cesses, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or payable by the Bank, as and when the same shall become payable, and when required by the Trustee produce the receipts for such payments and also punctually pay and discharge all debts, obligations and liabilities which may have priority over the Debentures created hereunder and observe, perform and comply with all covenants and obligations which ought to be observed and performed by the Bank in respect of the Transaction Document
- (ix) The Bank shall pay all such stamp duty (including any additional stamp duty, if any), other duties, taxes, charges and penalties, if and when the Bank may be required to pay according to the laws



For THE SOUTH INDIAN BANK LTD.

A handwritten signature in black ink, appearing to be "S. Srinivasan", written over a horizontal line.

Managing Director & CEO





for the time being in force in the State in which its properties are situated or otherwise, and in the event of the Bank failing to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Trustee will be at liberty (but shall not be bound) to pay the same and the Bank shall reimburse the same to the Trustee on demand.

- (x) The Bank shall reimburse all sums paid or expenses incurred by the Trustee or any Receiver, attorney, agent or other person appointed by the Trustee for all or any of the purposes mentioned in these presents immediately on receipt of a notice of demand from them in this behalf and all such sums shall carry interest at the rate of interest payable on the Debentures from the date, when the same shall have been paid.
- (xi) The Bank hereby agrees, confirms and undertakes that in the event the Bank has failed to make a timely repayment of the Obligations:
- a) the Trustee shall, as the Trustee may deem appropriate and necessary, be entitled to disclose all or any: (i) information and data relating to the Bank, (ii) information or data relating to this Deed (iii) default committed by the Bank in discharge of the aforesaid obligations, to Credit Information Bureau (India) Limited ("CIBIL") and any other agency authorised in this behalf by Reserve Bank of India ("RBI");
  - b) CIBIL and / or any other agency so authorised may use, process the aforesaid information and data disclosed by the Trustee in the manner as deemed fit by them;
  - c) CIBIL and / or any other agency so authorised may furnish for consideration, the processed information and data or products thereof prepared by them, to the Trustee, and other credit grantors or registered users, as may be specified by RBI in this behalf;
  - d) the Trustee and /or RBI will have an unqualified right to disclose or publish the details of the default and the name of the Guarantor (including its directors) as the case may be, as defaulters, in such manner and through such medium as the Trustee or RBI in their absolute discretion may think fit;
- (xii) The Bank hereby agrees, confirms and undertakes that in the event the Bank has failed to make a timely repayment of the Obligations or there is a revision of rating assigned to the Debentures, the Trustee shall, be entitled to disclose the information to the Debenture Holders and the general public by issuing a press release, placing the same on their websites and with the credit rating agencies'
- (xiii) So long as the Debenture Holder(s) continue to hold the Debentures, the Bank agrees and undertakes to comply with all material Applicable Laws including all provisions of the Securities and Exchange Board of India (Debenture Trustee), 1993 Regulations as amended from time to time and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. This Deed is also subject to such guidelines as may be issued by SEBI, Government of India, such other statutory or regulatory authorities from time to time'



For THE SOUTH INDIAN BANK LTD.

Managing Director & CEO



- (xiv) The Bank shall promptly inform the Trustee of any major or significant change in composition of its Board, which may amount to change in control as defined in the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- (xv) The Bank shall promptly inform the Trustees if it has notice of any application for winding up having been made or any statutory notice of winding up under the provisions of the Companies Act, 2013, or any other notice under any other Act relating to winding up or otherwise of any suit or other legal process intended to be filed or initiated against the Bank.
- (xvi) The Bank shall promptly inform the Trustees of any loss or damage which the Bank may suffer due to any force majeure circumstances or act of God, such as earthquake, flood, tempest or typhoon, etc. against which the Bank may not have insured its properties;
- (xvii) The Bank shall upon reasonable prior written notice, permit officers and representatives of the Trustee to carry out technical, legal, or financial inspections and visit and inspect during normal business hours, the properties of the Bank, including the facilities, works, assets and buildings and to examine, inspect and make copies of the books of record and accounts of the Bank and take extracts thereof and discuss the affairs, finances and accounts of the Bank with, and be advised as to the same, by its officers. The cost of any such visit shall be borne by the Bank and the Bank shall at all times afford the Trustee access to its books
- (xviii) The Bank shall keep proper books of account as required by the Act and make true and proper entries therein of all dealings and transactions of and in relation to the business of the Bank and keep the said books of account and all other books, registers and other documents relating to the affairs of the Bank at its registered office or, where permitted by law, at other place or places where the books of account and documents of a similar nature may be kept and the Bank will ensure that all entries in the same relating to the business of the Bank shall at reasonable times be open for inspection of the Trustee and such person or persons, as the Trustee shall appoint, from time to time, in writing for that purpose;
- (xix) The Bank shall utilise the funds raised through the issue solely towards the Purpose.
- (xx) Negative Covenants :

Without the written permission of the Trustees the Bank shall not declare or pay any dividend to its shareholders during any financial year unless it has paid all the dues to the Debentureholders/Trustees up to the date on which the dividend is proposed to be declared or paid or has made satisfactory provisions therefor;



For THE SOUTH INDIAN BANK LTD.

  
Managing Director & CEO



## ARTICLE - IX

### 9.1 Effectiveness of Agreement

This Agreement shall be effective on and from the date first hereinabove written and shall be in force till the monies in respect of the bonds have been fully paid-up.

### 9.2 Governing Law & Jurisdiction

This Deed is governed by and shall be construed in accordance with the laws of India. The jurisdiction for any legal action for recovery of any amount due in respect of the Bonds and/ or amounts due under this agreement shall be the Court at Thrissur.

### 9.3 Disclosure Documents Agreement To Prevail

In the event of any repugnancy or inconsistency between these presents, Disclosure Documents or any other agreement or undertaking that the Bank may enter into with or execute in favour of the Trustee, the said Disclosure Documents will prevail for all purposes and to all intents.

It is hereby expressly agreed by and between the parties that the obligations of the Bank shall be governed by the provisions contained in the Disclosure Documents and these presents, and in the event of there being any inconsistency or repugnancy between the provisions contained in the Disclosure Documents and these presents, the provisions contained in the Disclosure Documents shall prevail for all purposes and to all intents.

### 9.4 Severability

If any condition, clause or provision of this Deed not being of a fundamental nature is held to be illegal or unenforceable, the validity or enforceability of the remainder of this Deed shall not be affected thereby.

### 9.5 Miscellaneous

- a) The Trustee shall concur with the Bank in making any modifications in these presents of a minor and technical nature without obtaining permission of the majority bond holders, however in any other case the modification can be carried by the parties to this agreement provided it has been approved by a Special Resolution duly passed at a meeting of the Debenture Holder(s)/Beneficial Owners(s)..
- b) The Bank shall be responsible for paying stamp duty on the trust deed or the debentures, if applicable.
- c) The Bank shall furnish to the Trustee details of all grievances received from the Debenture holder(s)/ Beneficial Owner(s) Debenture Holder(s) and the steps taken by the Bank to redress the same.



For THE SOUTH INDIAN BANK LTD.

A handwritten signature in black ink, appearing to be "S. S. Srinivasan".

Managing Director & CEO



IN WITNESS WHEREOF The South Indian Bank Ltd and Services , as Trustees have executed these presents by their respective Authorised official on the day, month and year first hereinabove written.



SIGNED AND DELIVERED BY



Mr. V G Mathew, MD & CEO

For and behalf of The South Indian Bank Ltd

In presents of:

1. Paul Antony Maliakal, AGM, SIB, CFM Dept. 
2. Girish C.P, CFO, SIB LTD, H.O. TRICHUR 

SIGNED AND DELIVERED BY

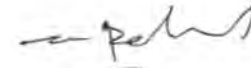

For IDBI TRUSTEESHIP SERVICES LTD.



AUTHORISED SIGNATORY

For and behalf of IDBI Trusteeship Services Ltd.

In presents of:

1. Rahul Mehta 
2. Pradeep Kande 

## SCHEDULE - 1

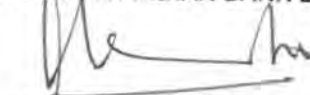
### FINANCIAL COVENANTS AND CONDITIONS

#### (Terms of Issue)

Security Name	10.25% SIB Basel III Tier 2 Bonds – October 2025
Issuer	The South Indian Bank Ltd
Type of Instrument	Non-convertible, Redeemable, Unsecured, Basel III compliant Tier 2 Bonds in the nature of debentures for augmenting Tier 2 capital of the Issuer with face value of Rs.10,00,000 each (Bond)
Nature of Instrument	Unsecured



For THE SOUTH INDIAN BANK LTD.



Managing Director & CEO



Seniority of the Instrument	<p>Claims of the Investors in the Instruments shall be:</p> <ul style="list-style-type: none"> <li>(i) Senior to the claims of Investors in Instruments eligible for inclusion in Tier 1 Capital</li> <li>(ii) Subordinate to the claims of all Depositors and general Creditors of the Bank and</li> <li>(iii) These Bonds shall neither be secured nor covered by a guarantee of the Issuer or its related entity or other arrangement that legally or economically enhances the seniority of the claim vis -à-vis creditors of the Bank.</li> </ul> <p>The claims of the bondholders shall be subject to the provisions mentioned in the point "Special Features", "PONV" in the term sheet.</p>
Mode of Issue	Private Placement
Eligible Investors	<p>The following class of investors are eligible to participate in the offer:</p> <p>Mutual Funds, Public Financial Institutions as defined in section 4A of the Companies Act, 1956, Scheduled Commercial Banks, Insurance Companies, Provident Funds, Gratuity Funds, Superannuation Funds and Pension Funds, Co-operative Banks, Regional Rural Banks authorized to invest in bonds/ debentures, Companies and Bodies Corporate authorized to invest in bonds/ debentures, Societies authorized to invest in bonds/ debentures, Trusts authorized to invest in bonds/ debentures, Statutory Corporations/ Undertakings established by Central/ State legislature authorized to invest in bonds/ debentures etc and any other person authorised and eligible to invest in the issue as per Regulatory guidelines.</p>
Prohibition on Purchase/Funding in Bonds	Neither the Bank nor any related party over which the Bank exercises control or significant influence (as defined under relevant Accounting Standards) shall purchase the Bonds, nor would the Bank directly or indirectly fund the purchase of the Bonds. The Bank shall not grant advances against the security of the Bonds issued by it
Listing	Proposed on the Wholesale Debt Market (WDM) Segment of BSE
Rating of the Instrument	CARE A+ and India Ratings (IndA+)
Trustees to the Issue	IDBI Trusteeship Services Ltd.
Registrars of the Issue	BTS Consultancy Services Pvt. Ltd
Issue Size	300 Crores



For THE SOUTH INDIAN BANK LTD.

Managing Director &amp; CEO



Option to retain oversubscription	200 Crores																						
Objects of the Issue	Augmenting Tier 2 Capital, under Basel III Capital Regulations as laid out by RBI and overall capital of the Bank for strengthening its capital adequacy and for enhancing its long-term resources																						
Details of the utilization of the proceeds	The proceeds of the issue are being raised to augment Tier 2 Capital under Basel III Capital Regulations as laid out by RBI. The proceeds of issue shall be utilized for its regular business activities.																						
Coupon Rate	10.25% p.a																						
Step Up/Step Down Coupon Rate	Not Applicable																						
Coupon Payment Frequency	Every financial year end date being 31 <sup>st</sup> March of that year and on maturity																						
Coupon Payment Dates	Refer table for dates and subject to "Special Features", "PONV" mentioned below. <table border="1" data-bbox="482 789 1099 1279"> <tr> <td>1st Coupon</td> <td>Thursday, March 31, 2016</td> </tr> <tr> <td>2nd Coupon</td> <td>Friday, March 31, 2017</td> </tr> <tr> <td>3rd Coupon</td> <td>Monday, April 02, 2018</td> </tr> <tr> <td>4th Coupon</td> <td>Monday, April 01, 2019</td> </tr> <tr> <td>5th Coupon</td> <td>Tuesday, March 31, 2020</td> </tr> <tr> <td>6th Coupon</td> <td>Wednesday, March 31, 2021</td> </tr> <tr> <td>7th Coupon</td> <td>Thursday, March 31, 2022</td> </tr> <tr> <td>8th Coupon</td> <td>Friday, March 31, 2023</td> </tr> <tr> <td>9th Coupon</td> <td>Monday, April 01, 2024</td> </tr> <tr> <td>10th Coupon</td> <td>Monday, March 31, 2025</td> </tr> <tr> <td>Final Coupon and Maturity</td> <td>Friday, October 31, 2025</td> </tr> </table>	1st Coupon	Thursday, March 31, 2016	2nd Coupon	Friday, March 31, 2017	3rd Coupon	Monday, April 02, 2018	4th Coupon	Monday, April 01, 2019	5th Coupon	Tuesday, March 31, 2020	6th Coupon	Wednesday, March 31, 2021	7th Coupon	Thursday, March 31, 2022	8th Coupon	Friday, March 31, 2023	9th Coupon	Monday, April 01, 2024	10th Coupon	Monday, March 31, 2025	Final Coupon and Maturity	Friday, October 31, 2025
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Coupon Type	Fixed Rate																						
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	Not Applicable																						
Day Count Basis	Interest for each of the interest periods shall be computed as per Actual / Actual day count conversion on the face value of principal outstanding at the coupon rate rounded off to the nearest rupee.  Interest Period means each period beginning on (and including) the deemed date of allotment(s) or any coupon payment date and ending on (but excluding) the next coupon payment date.																						



For THE SOUTH INDIAN BANK LTD.

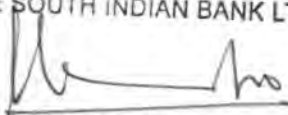
Managing Director &amp; CEO



Interest on Application Money	<p>Interest at the coupon rate (subject to deduction of income tax/withholding tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the Bonds for the period starting from and including the date of realization of application money in Issuer's Bank Account up to one day prior to the Deemed Date of Allotment.</p> <p>For the application amount that has been refunded, the Interest on application money will be paid along with the refund orders and for the application amount against which Bonds have been allotted, the Interest on application money will be paid within ten working days from the Deemed /date of Allotment. Where an applicant is allotted lesser number of Bonds then applied for, the excess amount paid on application will be refunded to the applicant along with the Interest on refunded money, and Income Tax at Source (TDS) will be deducted at the applicable rate on Interest on application money.</p>
Default Interest Rate	In case of a default in payment of Interest and/or principal redemption on the due dates, additional interest @ 2% p.a. over the documented rate will be payable by the Bank for the defaulting period subject to prevailing regulatory environment
Maturity / Tenor	10 Years, 1 months (121 Months)
Redemption Date	31 <sup>st</sup> October 2025
Redemption Amount	Subject to the provisions mentioned in "Special Features", "PONV" in the Term Sheet, the Redemption Amount would be Rs. 10,00,000 per bond.
Premium/Discount on Redemption	Nil
Issue Price, Along with justification of price	At par (Rs.10 lacs per Bond)
Discount at which security is issued and the effective yield as a result of such discount	Nil
Put Option	Not Applicable
Put Option Price	Not Applicable
Put Option Date	Not Applicable
Put Notification Time	Not Applicable
Call Option	Not Applicable
Call Option Price	Not Applicable



For THE SOUTH INDIAN BANK LTD.

  
Managing Director & CEO



Call Option Date	Not Applicable
Call Notification Time	Not Applicable
Face Value	Rs. 10 lacs per Bond as adjusted for the provisions mentioned in "Special Features", "PONV" in the Term Sheet
Minimum Application	10 (ten) Bonds and in multiples of 1(one) Bond thereafter
<b>Issue Timing:</b>	Sept 29 <sup>th</sup> 2015
<b>1. Issue Opening Date</b>	Sept 29 <sup>th</sup> 2015
<b>2. Issue Closing Date</b>	Sept 30 <sup>th</sup> 2015
<b>3. Pay-in Date</b>	Sept 29 <sup>th</sup> 2015- Sept 30 <sup>th</sup> 2015
<b>4. Deemed Date of Allotment</b>	Sept 30 <sup>th</sup> 2015
Issuance mode	In Demat mode only
Trading Mode	In Demat mode only
Settlement	Payment of interest and repayment of principal shall be made by way of cheque(s)/interest/ redemption warrant(s)/ demand draft(s)/ credit through direct credit/ NECS/RTGS/ NEFT mechanism in INR
Depository	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)
Business Day Convention	<p>"Business Day" means a day (other than a, Sunday and any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881(26 of 1881)) or a Bank holiday) on which banks are open for general business in Mumbai.</p> <p>Should any of the dates, other than the Coupon Payment Date including the Deemed Date of Allotment herein, falls on day which is not a business day, the immediately preceding business day shall be considered as the effective date, Should the Coupon Payment Date, as defined herein, falls on day which is not a business day, the immediately next business day shall be considered as the effective date. However the Final Coupon Payment Date shall not exceed the Redemption Date</p>
Record Date	<p>15 days prior to each Coupon Payment Date, and Redemption Date.</p> <p>In the event the Record Date for Coupon Payment Date falls on a day which is not a Business Day, the next Business Day will be considered as the Record Date.</p>
Security	Unsecured
Transaction Documents	<p>The Bank has executed/ shall execute the documents including but not limited to the following in connection with the Issue:</p> <p>a) Letter appointing Trustee to the Bondholders</p>



For THE SOUTH INDIAN BANK LTD.

Managing Director &amp; CEO





	<ul style="list-style-type: none"> <li>b) Debenture Trusteeship Agreement</li> <li>c) Letter appointing Arranger to the issue</li> <li>d) Letter appointing Registrar</li> <li>e) Rating Letters from CARE and India Ratings</li> <li>f) Tripartite Agreement between the Issuer, Registrar and NSDL for issue of Bonds in dematerialized form</li> <li>g) Tripartite Agreement between the Issuer, Registrar and CDSL for issue of Bonds in dematerialized form</li> <li>h) Application made to BSE for seeking its in-principle approval for listing of Bonds</li> <li>i) Listing Agreement with BSE.</li> <li>j) Certified true copy of resolution of the shareholders of the Issuer dated 15.07.2015 passed in accordance with Section 180(1)(c) of the New Companies Act;</li> <li>k) Certified true copy of resolution of the shareholders of the Issuer dated 15<sup>th</sup> July 2015 passed in accordance with Sections 42 of the New Companies Act;</li> </ul>
Conditions precedent to subscription of Bonds	<p>The subscription from applicants shall be accepted for allocation and allotment by the Bank, subject to the following:</p> <ul style="list-style-type: none"> <li>a) Rating Letters from CARE and India Ratings not being more than one month old from the date of issue opening date</li> <li>b) Consent Letter from the Trustees to act as Trustee to the Bondholder(s)</li> <li>c) Letter from BSE conveying In-Principle Approval for listing &amp; trading of Bonds</li> </ul>
Conditions subsequent to subscription of Bonds	<p>The Bank shall ensure that the following documents are executed/ activities are completed as per terms of this Disclosure Document:</p> <ul style="list-style-type: none"> <li>a) Credit of Demat Account(s) of the Allottee(s) by number of Bonds allotted within 2 working days from the Deemed Date of Allotment</li> <li>b) Making application to BSE within 15 days from the Deemed Date of Allotment to list the Bonds and seek listing permission within 20 days from the Deemed Date of Allotment</li> </ul>
Cross Default	Not Applicable
Role and Responsibilities of Trustees to the Issue	<p>The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustees by the holder(s) of the Bonds and shall further conduct itself, and comply with the provisions of all applicable laws, provided that, the provisions of Section 20 of the Indian Trusts Act, 1882, shall not be applicable to the Trustees. The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Debenture Trusteeship Agreement, Disclosure Document and all other related transaction documents, with due care, diligence and loyalty.</p>



For THE SOUTH INDIAN BANK LTD.

Managing Director &amp; CEO



Governing Law and Jurisdiction	The Bonds are governed by and shall be construed in accordance with the laws of India, as modified or amended from time to time. Any dispute arising thereof will be subject to the sole jurisdiction of courts of Thrissur, Kerala.
Additional Covenants	<p><u>Delay in Listing:</u> The Issuer shall complete all the formalities and seek listing permission within 15 days from the Deemed Date of Allotment. In the event of delay in listing of Bonds beyond 20 days from the Deemed Date of Allotment, the Issuer shall pay penal interest of 1.00% per annum over the Coupon Rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of Bonds to the Bondholder(s).</p> <p><u>Refusal for Listing:</u> If listing permission is refused before the expiry of the 20 days from the Deemed Date of Allotment, the Issuer shall forthwith repay all monies received from the applicants in pursuance of the Disclosure Document along with penal interest of 1.00% per annum over the Coupon Rate from the expiry of 20 days from the Deemed Date of Allotment till the date the Debentures are listed on the WDM of the BSE.</p> <p><u>Default in payment of Interest and Principal:</u> In relation to the principal amount and coupon payable in respect of the Bonds, in case the same is not paid on the respective Due Dates, the defaulted amounts shall carry further interest at the rate of 2% (Two Percent) per annum over and above the Coupon Rate, from the date of occurrence of such default up to the date on which the defaulted amounts together with default interest is paid.</p>
PONV	<p>The present issue of Bonds is being made in pursuance of Master Circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 01, 2015 issued by the RBI, covering Prudential Guidelines on Implementation of Basel III Capital Regulations in India covering Criteria for Inclusion of Debt Capital Instruments as Tier 2 Capital(Annex 5) and Minimum Requirements to ensure loss absorbency of non-equity regulatory capital instruments at the PONV(Annex 16) read along with RBI circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015, on Implementation of Basel III Capital Regulations in India – Amendments and as amended from time to time).</p> <p>As per the extant instructions issued by RBI, these Bonds, at the option of the Reserve Bank of India, shall be written off upon the occurrence of the trigger event, called the 'Point of Non-Viability (PONV) Trigger' set out below.</p> <p>Once the principal of the Bonds have been written down pursuant to PONV Trigger Event, the PONV Write Down amount will not be restored in any circumstances, including where the PONV Trigger Event has ceased to continue.</p>



For THE SOUTH INDIAN BANK LTD.

Managing Director &amp; CEO



Special Features:

PONV Trigger

Further it is clarified that there shall be no residual claims on the Bank following a trigger event and when write-off is undertaken.

- (i) The PONV Trigger event is the earlier of:
- a. a decision that a write-off without which the firm would become non-viable, is necessary, as determined by the Reserve Bank of India; and
  - b. the decision to make a public sector injection of capital, or equivalent support, without which the firm would have become non-viable, as determined by the relevant authority.

For the purpose of the above, a 'non-viable' bank will be:

A bank which, owing to its financial and other difficulties, may no longer remain a going concern on its own in the opinion of the Reserve Bank unless appropriate measures are taken to revive its operations and thus, enable it to continue as a going concern. The difficulties faced by a bank should be such that these are likely to result in financial losses and raising the Common Equity Tier 1 capital of the bank should be considered as the most appropriate way to prevent the bank from turning non-viable. Such measures would include write-off / conversion of non-equity regulatory capital into common shares in combination with or without other measures as considered appropriate by the Reserve Bank

In rare situations, a bank may also become non-viable due to non-financial problems, such as conduct of affairs of the bank in a manner which is detrimental to the interest of depositors, serious corporate governance issues, etc. In such situations raising capital is not considered a part of the solution and therefore, may not attract provisions of this framework.

#### Criteria to determine PONV

The above framework of PONV will be invoked when the Bank is adjudged by Reserve Bank of India to be approaching the point of non-viability, or has already reached the point of non-viability, but in the views of RBI

there is a possibility that a timely intervention in form of capital support, with or without other supporting interventions, is likely to rescue the bank; and if left unattended, the weaknesses would inflict financial losses on the bank and, thus, cause decline in its common equity level.

The purpose of write-off of non-equity regulatory capital elements will be to shore up the capital level of the bank. RBI would follow a two-stage approach to



For THE SOUTH INDIAN BANK LTD.

Managing Director & CEO



determine the non-viability of a bank.

The Stage 1 assessment would consist of purely objective and quantifiable criteria to indicate that there is a prima facie case of a bank approaching non-viability and, therefore, a closer examination of the bank's financial situation is warranted.

The Stage 2 assessment would consist of supplementary subjective criteria which, in conjunction with the Stage 1 information, would help in determining whether the bank is about to become non-viable. These criteria would be evaluated together and not in isolation

If the PONV Trigger Event ( as described above ) occurs, the Bank shall: decide whether rescue of the bank would be through write-off alone or write-off in conjunction with a public sector injection of funds; without the need for the consent of the Bondholders or the Trustee, write down the outstanding principal of the Bonds by such amount as may be prescribed by RBI and subject as is otherwise required by the RBI at the relevant time, The Bank will affect a write –down within 30 days of the PONV write down amount being determined and agreed with the RBI;

#### Permanent Write-off Features

These instruments are subject to permanent write-down upon the occurrence of the PONV Trigger as determined by Reserve Bank of India.

The amount of non-equity capital to be written-off will be determined by RBI.

#### Treatment for the purpose of Dividend:

When a bank breaches the PONV trigger and the equity is replenished through write-off, such replenished amount of equity will be excluded from the total equity of the bank for the purpose of determining the proportion of earnings to be paid out as dividend in terms of rules laid down for maintaining capital conservation buffer. However, once the bank has attained total Common Equity ratio of 8% without counting the replenished equity capital, that point onwards, the bank may include the replenished equity capital for all purposes.

The trigger at PONV will be evaluated both at consolidated and solo level and breach at either level will trigger write-off.

#### Treatment in Bankruptcy / Liquidation

The Bondholders shall have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation of the Issuer.

If a bank goes into liquidation before these instruments have been written-down,



For THE SOUTH INDIAN BANK LTD.

Managing Director & CEO



	<p>these instruments will absorb losses in accordance with the order of seniority indicated above in this Term Sheet and as per usual legal provisions governing priority of charges.</p> <p>If a bank goes into liquidation after these instruments have been written-down, the holders of these instruments will have no claim on the proceeds of liquidation.</p> <p><b>Amalgamation of a banking company</b>          If a bank is amalgamated with any other bank before these instruments have been written-down, these instruments will become part of the corresponding categories of regulatory capital of the new bank emerging after the merger.</p> <p>If a bank is amalgamated with any other bank after the non-equity regulatory capital instruments have been written-down permanently, these cannot be written-up by the amalgamated entity.</p> <p>If the relevant authorities decide to reconstitute a bank or amalgamate a bank with any other bank under the Section 45 of BR Act, 1949, such a bank will be deemed as non-viable or approaching non-viability and both the pre-specified trigger and the trigger at the point of non-viability for write-down of these instruments will be activated. Accordingly, these instruments will be fully written-down permanently before amalgamation / reconstitution.</p>								
Order of Write Down	<p>The order of write down of various instruments issued by the issuer and that may be issued in future shall be as under:</p> <p>Additional Tier I debt instruments including perpetual and non cumulative preference shares. These instruments shall be subordinate to other instrument and all other deposit holders, unsecured general creditors;</p> <p>The Write-off of any Common Equity Tier 1 (CET-1) capital shall not be required before the write off of any Non-Equity (Additional Tier-I and Tier 2) regulatory capital instrument.</p>								
Lock-in-Period	Not Applicable								
Payment Mode	<table border="1"> <tr> <td colspan="2">The payment should be made by electronic transfer of funds through RTGS mechanism for credit as per details given hereunder:</td> </tr> <tr> <td>Beneficiary Name</td> <td>The South Indian Bank Limited</td> </tr> <tr> <td>Name of the Banker</td> <td>Kotak Mahindra Bank Limited</td> </tr> <tr> <td>Account Name</td> <td>The South Indian Bank Ltd Current Escrow A/c</td> </tr> </table>	The payment should be made by electronic transfer of funds through RTGS mechanism for credit as per details given hereunder:		Beneficiary Name	The South Indian Bank Limited	Name of the Banker	Kotak Mahindra Bank Limited	Account Name	The South Indian Bank Ltd Current Escrow A/c
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Beneficiary Name	The South Indian Bank Limited								
Name of the Banker	Kotak Mahindra Bank Limited								
Account Name	The South Indian Bank Ltd Current Escrow A/c								



For THE SOUTH INDIAN BANK LTD.

  
 Managing Director & CEO



	Credit into Escrow A/c No.	6111648902
	IFS Code	KKBK0000958
	Address of the Branch	Mittal Court,224, Nariman Point, Mumbai - 400 021
	Narration	Application Money for Bond Issue
Applicable RBI Guidelines	<p>The present issue of Bonds is being made in pursuance of Master Circular DBR.No.BP.BC.1/21.06.201/2015-16 dated July 01, 2015 issued by the RBI, covering Prudential Guidelines on Implementation of Basel III Capital Regulations in India covering Criteria for Inclusion of Debt Capital Instruments as Tier 2 Capital(Annex 5) and Minimum Requirements to ensure loss absorbency of Additional Tier 1 instruments at pre-specified trigger and of all non-equity regulatory capital instruments at the PONV(Annex 16) read along with RBI circular DBOD.No.BP.BC.38/21.06.201/2014-15 dated September 1, 2014 on Implementation of Basel III Capital Regulations in India – Amendments (as amended from time to time).</p> <p>This issue Bonds and the terms and conditions of the Bonds will be subject to the applicable guidelines issues by the Reserve Bank of India and the Securities and Exchange Board of India from time to time.</p>	

**SCHEDULE - II**  
**(Meeting of the Bondholders)**

**01. WHO MAY CONVENE MEETINGS :**

The Trustee or the Bank respectively may and the Trustee shall, upon a requisition in writing by holders of at least one tenth of the face value of the Bonds for the time being outstanding convene a meeting of the Bondholders. All such meeting shall be held at the Registered Office of the Bank or such other place as the Bank or Trustees may decide.

**02. NOTICE TO TRUSTEES:**

Whenever the Bank is about to convene any such meeting it shall forthwith give notice in writing to the Trustee, of the place, day and hour thereof and of the nature of the business to be transacted thereat.

**03. LENGTH OF NOTICE FOR CALLING MEETING:**

(A) A meeting of the Bond-holders of the Bank may be called by giving not less than clear twenty-one day's notice either in writing or through electronic mode.



For THE SOUTH INDIAN BANK LTD.

Managing Director & CEO



(B) A meeting may be called after giving shorter notice than that specified in sub-clause (A) above, if consent is given in writing or by electronic mode by Bond-holders holding not less than 95 per cent in value of the Bonds issued by the Bank.

**04. CONTENTS AND MANNER OF SERVICES OF NOTICE AND PERSONS ON WHOM IT IS TO BE SERVED:**

A. Every notice of a meeting of the Bond-holders of the Bank shall specify the place and the day and the hour of the meeting and shall contain a statement of the business to be transacted thereat.

B. Notice of every meeting shall be given:-

(i) Every Bondholder of the Bank, legal representative of any deceased Bondholder.

(ii) To the auditor or auditors for the time being of the Bank.

(iii) To the Trustee when the meeting is convened by the Bank.

C. The accidental omission to give notice to, or the non-receipt of notice by, any Bond-holder or other person to whom it should be given, shall not invalidate the proceedings at the meeting.

**05. EXPLANATORY STATEMENT TO BE ANNEXED TO NOTICE:**

A. There shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, financial or otherwise if any, therein of every Director, the Manager, Ker Managerial personnel and their relatives and any other information and facts that may enable the Bondholders to understand the meaning, scope and implications of the items of the business.

B. Provided that where any item of business as aforesaid to be transacted at a meeting of the Bondholder relates to, or affects, any other Bank, the extent of shareholding interest in that Bank of the Promoter, every Director of the Bank, the manager of the Bank, if any, and every other key managerial personnel of the Bank shall also be set out in the statement if the extent of such shareholding interest is not less than 2% of the paid-up share capital of that other Bank.

C. Where any item of business consists of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

**06. QUORUM FOR MEETING:**

A. Five Bond-holders personally present shall be the quorum for a meeting of the Bond-holders of the Bank and the provisions of sub-clauses (2) & (3) shall apply with respect thereto.



For THE SOUTH INDIAN BANK LTD.

  
Managing Director & CEO



B. If, within an half an hour from the time appointed for holding a meeting of the Bondholders, a quorum is not present, the meeting, if called upon the requisition of the Bondholders as per Section 100 of the Companies Act, 2013, shall stand dissolved but in any other case the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Trustee may determine and if at the adjourned meeting also a quorum is not present within half an hour from the time appointed for the holding of the meeting, the Bondholders present shall be the quorum. Provided that in case of an adjourned meeting or of a change of day, time or place of meeting, the Bank shall give not less than three days notice to the Bondholders either individually or by publishing an advertisement in the newspapers, in English and in vernacular language.

#### **07. CHAIRMAN OF MEETING:**

A. The nominee of the Trustee shall be the Chairman of the meeting and in his absence the NCD Holders personally present at the meeting shall elect one among them to be the Chairman thereof by show of hands.

B. If a poll is demanded on the election of the Chairman. it shall be taken forthwith in accordance with provisions of the Companies Act, 2013 by the Chairman elected by show of hands exercising all the powers of the Chairman under the said provisions and the Chairman elected on the show of hands shall continue to be the Chairman of the meeting until some other person is elected as Chairman.

C. If some other person is elected Chairman as a result of the poll, he shall be Chairman for the rest of the meeting.

#### **08. PROXIES**

A. Any Bond Holder entitled to attend and vote at the meeting shall be entitled to appoint another person (whether an Bond Holder or not) as his proxy to attend and vote instead of himself. Provided that a proxy shall not be entitled to vote except on a poll, and shall not have any right to speak at the meeting.

B. In every notice calling the meeting there shall appear with reasonable prominence a statement that a bond holder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself, and that a proxy need not be an NCD holder.

C. The instrument appointing a proxy and the power of attorney (if any) under which it is signed or a notarized certified copy of the power of attorney shall be deposited at the registered office of the bank not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in case of a poll, not less than 48 hours before the time appointed for the taking of the poll and in default, the instrument of proxy shall not be treated as valid.

D. The instrument appointing the proxy shall;

I. Be in writing; and



For THE SOUTH INDIAN BANK LTD.

A handwritten signature in black ink, appearing to be "M. Srinivasan", written over a horizontal line.

Managing Director & CEO





II. Be signed by the appointer or his attorney duly authorized in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorized by it.

E. The instrument appointing a proxy shall be in the form prescribed by the central government from time to time and shall not be questioned on the ground that it fails to comply with any special requirements specified for such instruments by the AOA.

F. Every bondholder entitled to vote a meeting of the NCD Holders of the bank on any resolution to be moved therein shall be entitled during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting to inspect the proxies lodged, at any time during the business hours of the bank, provided not less than three days' notice in writing of the intention so to inspect is given to the bank.

G. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed in respect of which the proxy is given provided that no intimation in writing of such death, insanity, revocation shall have been received by the bank at the registered office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### **09. VOTING TO BE BY SHOW OF HANDS IN THE FIRST INSTANCE:**

At any meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded in the manner hereinafter mentioned, and unless a poll is so demanded, a declaration by the chairman that on a show of hands the resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings of the meeting, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favor of or against such resolution.

#### **10. CHAIRMAN'S DECLARATION OF RESULT OF VOTING OF SHOW OF HANDS TO BE CONCLUSIVE:**

A declaration by the chairman that, on a show of hands, a resolution has or has not been carried, or has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the books containing minutes of the proceedings of the meeting shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favor of or against such resolution.

#### **11. DEMAND FOR POLL:**

A. Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the chairman of the meeting in his own motion, and shall be ordered to be taken by him on a demand being made in that behalf by five Bond holders present in persons or by proxy or by any one or more Bond holders present in person or by proxy and holding not less than one tenth in value of the bonds for the time being outstanding.



For THE SOUTH INDIAN BANK LTD.

Managing Director & CEO



B. The demand for a poll may be withdrawn at any time by the person or persons at the time when the demand was made, as the chairman may direct.

C. A poll demanded on a question of adjournment of meeting shall be taken forthwith.

D. A poll demanded on any other question(not being a question relating to the election of a Chairman)shall be taken at such time not being later than 48 hours form the time when the demand was made as chairman may direct.

## **12. RIGHT TO BOND-HOLDERS TO USE HIS VOTE DIFFERENTLY**

On a poll taken at a meeting, a Bond Holder entitled to more than one vote,or his proxy or other person entitled to vote for him,a s the case may be, need not,use all his votes or cast in the same way all the votes he uses.

## **13. SCRUTINEERS AT POLL**

A. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given in the poll and to report thereon to him.

B.The Chairman shall have power,at any time before the result of the poll is declared to remove a scrutineer from office and to fill vacancies in the office of the scrutineer arising from such removal or from any other cause.

C.Of the two scrutineers appointed under this Clause ,one shall always be a Bond-holder (not being an officer or employee of the Bank)present at the meeting, provided such a Bond-holder is available and willing to be appointed.

## **14. MANNER OF TAKING POLL AND RESULT THEREOF**

A.Subject to the provisions of the Companies Act,1956,and Companies Act,2013 the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.

B. The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

## **15. CHAIRMAN'S CASTING VOTE**

In case of any equality of the votes, the Chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes to which he may be entitled as a Bond-holder.

## **16. ADJOURNMENT ;**

The Chairman may with the consent of any such meeting adjourn the same from time to time.

## **17.VOTES;**

At every such meeting each Bond-Holder shall on a show of hands entitled to one vote only but on a poll he shall be entitled to one vote in respect of every bond.



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## 18. JOINT HOLDERS ;

In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the Register of the Bond-holders.

## 19. POWER OF COURT TO ORDER MEETING TO BE CALLED;

A. If for any reason it is impracticable to call a meeting in any manner in which meetings of the Bond-holders of the bank may be called, or to hold or conduct the meeting in the manner prescribed by The Companies Act, 1956, the Court may, either of its own motion or on the application of any director of the bank or of any Bond-holder of the bank who would be entitled to vote at the meetings:

- a) Order a meeting of the bond-holders of the bank to be called, held and conducted in such manner as the court thinks fit; and
- b) Give such ancillary or consequential directions as the court thinks expedient, including direction modifying or supplementing in relation to the calling, holding and conducting of the meeting and the operation of the provisions of The Companies Act, 1956.

Explanation-The directions that may be given under this sub clause may include a direction that one Bond-holder of the bank present in person or by proxy shall be deemed to constitute a meeting.

B. Any meeting called, held and conducted in accordance with any such order shall, for all purposes, be deemed to be a meeting of Bond-holders of the bank duly called, held and conducted.

## 20. TRUSTEES, DIRECTORS ETC. MAY BE PRESENT;

The trustees and their solicitors and any Director or Officer of a bank being the Trustees hereof and any Director, working member of the bank's solicitors and any other person authorized in that behalf by the Bank may attend any meeting.

## 21. WHEN TRUSTEES MAY GIVE UP POSSESSION;

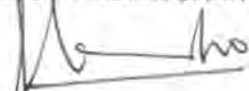
When the trustee shall have made entry or taken position under the powers conferred by the Trust Deed, they may with authority of a special resolution of the Bond-holders at any time afterwards give up possession of the mortgaged premises or any part thereof to the bank either unconditionally or upon any conditions that may be arranged between the bank and the trustees.

## 22. POWER EXERCISABLE BY SPECIAL RESOLUTION;

Without prejudice to any of the powers conferred upon the Trustee under any of the provisions of this presents a meeting of the Bond-holders shall (inter alia) have the following powers exercisable by a resolution carried by a majority consisting of not less than three-fourth in value of the vote cast on such poll;



For THE SOUTH INDIAN BANK LTD.

  
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- A. Power to sanction the surrender or release of any of the mortgaged premises.
- B. Power to sanction any scheme for the reconstruction of the bank or the amalgamation of the bank with any other bank or to sanction any compromise or arrangement proposed to be made between the bank and the Bond –holders.
- C. Power to assent to any modification of the provisiond contained in the foregoing trust deed or in this schedule which shall be proposed by the bank and assented to by the trustees.
- D. Power to require the trustees to enforce any of covenants on the part of the bank contained in the trust deed.
- E. Generally, power to sanction any modification of the right of the Bond-holders against the bank or its property whether such rights shall arise under the foregoing trust deed or otherwise.

**23. SPECIAL RESOLUTION BINDS ALL BOND-HOLDERS;**

A special resolution passed at a meeting of the Bond-holders duly convened and held in accordance with these presents shall be binding upon all the Bond-holders and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof, the intention being that it shall rest with the meeting to determine without appeal whether or not the circumstances justify the passing of such resolution.

**24. DEFINITION OF SPECIAL RESOLUTION;**

The expression Special Resolution means a resolution of which the intention to propose it as special resolution has been specified in the notice calling the meeting and passed at a meeting of the Bond-holders duly convened and held in accordance with the provisions herein contained by a majority consisting of not less than three –fourths of the Bond-holders voting thereat upon a show of hands or if a poll is duly demanded, then by a majority consisting not less than three-fourths of the votes given on such poll.

**25. MINUTES**

Minutes of all resolution and proceedings at every such meeting as aforesaid shall be made and duly entered in books within thirty days from conclusion of the meeting provided for that purpose by the trustees at the expense of the bank and any such minutes as aforesaid be signed by the Chairman of the meeting at which such resolutions were passed or proceedings had or the Chairman of the next succeeding

Meeting of the Bond-holder, shall be conclusive evidence of the matters therein contained and until the contrary is proved every such meeting in respect of the proceeding of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed there at and proceedings taken to have been duly passed and taken.



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