SOUTH INDIAN Bank

DEPT: SECRETARIAL
REF. No: SEC/PER/2 /2020-21

October 15, 2020

Mr. R A Sankara Narayanan
(DIN:05230407),
Flat no 8, First Floor, 2 Lakshmi Street,
Mahalakshmi Flats, Stage I, West Mambalam,
Chennai, Tamil Nadu- 600033,

Sir,

Sub: Appointment as Independent Director

Pursuant to Regulation 17 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and the provisions of Section 149 (4) read with Schedule IV and the provisions of section 161 (1) of the Companies Act, 2013, we have great pleasure in informing you that, the Board of Directors of the South Indian Bank Limited, at the Meeting held on October 15, 2020, have approved your appointment as as **additional Director (under Majority Category- Banking) as non-executive independent director** on the Board of the Bank on the following terms and conditons:

I. Appointment

i. You are appointed with effect from October 15, 2020.

ii. Your appointment shall be subject to the provisions of Regulation 17 of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 and the provisions of Section 149 (4) read with Schedule IV and section 161 (1) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, Clause 49 of the Listing Agreement as amended from time to time, Section 10A and other applicable provisons of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Rules, Circulars and Guidelines issued by the Reserve Bank of India.

iii. You shall hold office up to the 93rd Annual General Meeting of the Bank, to be held next year or the last date, on which the Annual General Meeting should have been held, whichever is earlier.

iv. Being an independent director you may comply with the provisions of sub rule (1) and sub rule (2) to Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014 as amended by Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019 by inclusion of your name in the Independent Directors data bank and may also comply with other regulations, as applicable to independent directors.

II. Board Committees

i. As advised by the Board, during the tenure of your office, you may be required to serve on one or more of the Committees of the Board established by the Bank. Upon your appointment to any one or more Committees, you will be provided with the appropriate Committee charter which sets out the functions of that Committee.

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

III. Functions, Responsibilities and Duties of Directors

i. You shall act in accordance with the Bank's Articles of Association.

ii. Your role and duties will be those normally required of a Non-Executive Director under Schedule IV of the Companies Act, 2013, SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 and the listing agreement. (Copy of theh exracts from schedule IV is enclosed as Annexure I)

IV. Remuneration

i. In terms of remuneration policy of the Bank, you will be paid sitting fees of Rs.60,000/- for attending each Board meetings and Rs. 40,000/- for each meetings of the Committees of the Board or such other terms as may be fixed from time to time (Considering the Covid -19 scenario and the consequential finnacial impact on the Bank, the Board had suo moto reduced the remuneration by 20% across the Board. Hence the sitting fees of Rs.48,000/- for attending each Board meeting and Rs. 32,000/- for each meeting of the Committees of the Board is applicable for the time being until further reviewed).

ii. In addition to the remuneration described in clause iv(i), the Bank will, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

V. Dealing in Securities and Code of Conduct

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

ii. You are required to comply with the applicable insider trading laws and regulations. You are also required to comply with the Bank's code of conduct and ethics.

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

Warm regards,

Yours sincerely

Salim G

Salim Gangadharan
Chairman of the Board

Annexure I

Schedule IV

[*See* section 149(8)]

CODE FOR INDEPENDENT DIRECTORS

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

I. Guidelines of professional conduct:

An independent director shall:

i. in implementing the best corporate governance practices.

ii.

II. Role and functions:

The independent directors shall:

i. help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;

ii. bring an objective view in the evaluation of the performance of board and management;

iii. scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;

iv. satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;

v. safeguard the interests of all stakeholders, particularly the minority shareholders;

vi. balance the conflicting interest of the stakeholders;

vii. determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;

viii. moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties :

The independent directors shall—

a. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;

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b. seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
c. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
d. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
e. strive to attend the general meetings of the company;
f. where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
g. keep themselves well informed about the company and the external environment in which it operates;
h. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
i. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
j. ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
k. report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
l. acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
m. not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

IV. Manner of appointment:

(1) Appointment process of independent dir ectors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.

(2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.

(3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions

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specified in the Act and the rules made thereunder and that the proposed director is independent of the management.

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

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

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

V. Re-appointment:

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

VI. Resignation or removal:

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

(2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.

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

VII. Separate meetings:

(1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;

(2) All the independent directors of the company shall strive to be present at such meeting;

(3) The meeting shall:

(a) review the performance of non-independent directors and the Board as a whole;

(b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;

(c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VIII. Evaluation mechanism:

(1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

(2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

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Functions, Roles and Responsibilities of Board of Directors

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

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

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

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

7. Ensuring proper implementation of the guidelines of the business & other policies and take action as under:-

   a) establish appropriate systems to regulate the risk appetite and risk profile of the Bank. It will also enable identification and measurement of significant risks to which the Bank is exposed in order to develop an effective risk management system;

   b)ensure that all supervisory/regulatory directions are submitted and the supervisor's recommendations are utilized in the assessment of the performance of the senior management in implementation of Board philosophy;

   c) ensure that the IT systems in the Bank are appropriate and have built-in checks and balances to produce data with integrity;

   d) formulate, adopt and review of the various policies prescribed by various Statutory Authorities from time to time.

   e) set Standards of Business Conduct and Ethical Behavior for members and Senior Management.

   f) ensure that the Bank has in place a robust compliance system for all applicable laws and regulations;

   g) prescribe the forms and frequency of reporting to the Board in respect of each of the above areas of responsibility.

8. Set up sound system of internal controls and audit including Financial, operational and Compliance controls and annual review of such system for their effectiveness;

9. Monitor the financial performance of the Bank and must ensure that the financial results are prepared in accordance with the generally accepted accounting principles and regulations issued by the RBI and are reported to shareholders and regulators on a timely and regular basis;

10. Ensure that all material developments of the Bank are disclosed to the public on a timely basis in accordance with the Standard Listing Regulations requirement;

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11. Delegate the responsibilities to mandated/ other recommended Empowered Committees of Directors in discharging of the above governance functions, while retaining its primary accountability.

12. Members of Board of Directors and key managerial personnel shall disclose to the board of directors whether they, directly, indirectly, or on behalf of third parties, have a material interest in any transaction or matter directly affecting the Bank.

13. In order to fulfil their responsibilities, members of the Board of Directors shall have access to accurate, relevant and timely information.

14. To exercise due and reasonable care, skill and diligence and Independent judgment;

15. To ensure a transparent nomination process to the board of directors with the diversity of thought, experience, knowledge, perspective and gender in the board of directors;

16. To monitor and manage potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions;

17. To avoid undue gain or advantage either to himself or relatives, partners or associates; and
18. Execute such other duties as defined under the Articles of Association of the Bank, Government of India, Banking Regulations, RBI Guidelines, the Companies Act, 2013, *SEBI* (*Listing* Obligations and Disclosure Requirements) *Regulations*, and other rules and regulations applicable to the Bank

Duties of Directors

1. shall act in good faith and as per the provisions contained in the Articles of Association of the Bank, to promote the objects of the Bank for the benefit of its members as a whole, and in the best interests of the bank, its employees, the shareholders, the community and for the protection of environment.
2. shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
3. shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Bank.
4. shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
5. shall not assign his office and any assignment so made shall be void.

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

The Board is regularly presented with all information under the following heads whenever applicable and materially significant. These are submitted either as a part of the agenda papers well in advance of the Board/Committee Meetings or are tabled in course of the Board/Committee Meetings.

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

1. Approval of Bank's strategic and business plans and forecasts; periodical review of achievement of business targets, implementation of strategic initiatives and plans.
2. Approval of Annual operating plans and budgets including capital budgets and any updates.
3. Detailed scrutiny and approval of quarterly and annual financial results;
4. Status of NPA management and reported NPA and provisioning integrity
5. Preparation, modification, deviation and review of Policies of the Bank including policies concerning credit, operational, market, liquidity risks.
6. Assessing the independence of the risk function in the Bank. Consider the effectiveness of overall risk management framework in meeting sound corporate governance principles and identifying, managing and monitoring the key risks of the Bank
7. Periodical assessment of Capital Adequacy
8. Appointment or Removal of Board of Directors, Key Managerial Personnel, other senior managerial personnel one level below Board of Directors and Chief Information Officer, Chief Security Officer, Chief Risk Officer, Chief Compliance Officer.
9. Approval of remuneration, perks and perquisites for Directors including Managing Director, Chairman and other Directors, employees, incentive schemes for employees, promotion policies for employees, training and skill development of employees.
10. Review of priority sector lending; support to microfinance institutions ,deposit mobilization from weaker sections; Financial Inclusion initiatives of the Bank etc.
11. Review of observations from the Risk Based Supervision by RBI, and from the Long Form Audit Report;
12. Review of action taken report on Board Directions
13. Sale of investments, assets, Purchase and Sale of subsidiaries which are material nature and not in the normal course of business and other key decisions pertaining to the Subsidiaries.
14. Constitution/re-constitution of Board Committees and review of minutes of meetings of audit committee and other committees of the board .
15. Information and updates as appropriate on Bank's products; development of new products and review of status of customer complaints/grievances.
16. Recruitment/Manpower assessment/succession planning aligning with business strategy of the Bank.
17. According sanction for related party transactions which are not in the ordinary Course of business or which are not on arm's length basis.

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18. Recommendation of Dividend
19. Issue of Securities/Bonds/Debentures.
20. Review corporate and management controls and systems including procedures;
21. Items arising out of separate meeting of the Independent Directors if so decided by the Independent Directors.
22. Review/Approval of new tie up with exchange houses/MTSS arrangements.
23. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
24. Any material default in financial obligations to by the listed entity and non-compliance of any regulatory, statutory or listing requirements.
25. Review of Employee grievance redressal systems/disciplinary proceedings against Officers/employees.
26. Staff accountability review in NPA accounts with GNPA of Rs.25.00 crores and above (Quarterly)
27. Review of report on annual compliance risk assessment.
28. Review on quarterly certificate on compliance for RBI directions.
29. Show cause, demand, prosecution notices and penalty notices which are materially important. Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Bank or taken an adverse view regarding another enterprise that can have negative implications on the Bank.
30. All agenda items required to be placed to the Board in compliance with Policies of the Bank and as directed by the Board from time to time.
31. Any other agenda items which are not specifically delegated by the Board to any other Committees/sub- Committees.
32. Review of all reports as per the Calendar of Reviews stipulated by the RBI from time to time.
33. Delegation/modification of authority/power entrusted to the Board and change in Organisational structure of the Bank
34. All relevant information for taking informed decisions in respect of matters brought before the Board;
35. Any other items/information as may be prescribed SEBI (LODR) Regulations 2015, the Companies Act, 2013 and by Reserve Bank of India.

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Details of membership in Board Committees

Name of the Committee	Chairman/ Membership
Risk Management Committee	Chairman
NPA Review Committee	Chairman
Audit Committee	Member
Management Committee	Member
Capital Planning and Infusion Committee	Member
Committee Of Independent Directors	Member

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TERMS OF REFERENCE OF RISK MANAGEMENT COMMITTEE

In terms of the guidelines of Reserve Bank of India on the Asset Liability Management / Risk Management Systems, a Risk Management Committee of Board has been constituted.

The Risk Management Committee shall approve the policy, strategy and methods for risk management, by evaluating the overall risks faced by the Bank in determining the acceptable level of risks. The committee inter-alia looks into the following aspects:

1. Review and approve on a regular basis the risk management policies recommended by RMCs, ALCO, including policies concerning credit risk, market risk, and operational risk and also the Business Continuity policy.
2. Approve risk management governance structure of the Bank and deciding the allocation of resources.
3. Define the risk appetite of the Bank.
4. Approve the vendors for risk data warehouse and other risk management software requirements.
5. Approve revisions in existing systems and policies to address risk management requirements and good practices.
6. Consider the effectiveness of overall risk management framework in meeting sound corporate governance principles and identifying, managing and monitoring the key risks of the Bank.
7. Oversee and monitor the Bank's compliance with regulatory requirements.
8. Approve delegation of risk limits to management and approve any transactions exceeding those delegated authorities.
9. Review risk mitigation plans on significant risks, which affects policy or procedure level changes for effective implementation.
10. To review the direction of various risks attributable to the Bank based on an analytical model articulated by RBI.
11. Oversee functions of Credit Risk Management Committee (CRMC), Market Risk Management Committee (MRMC), Asset Liability Management Committee (ALCO) and Operational Risk Management Committee (ORMC).
12. Reviewing and approving the Internal Capital Adequacy Assessment Process.
13. Reinforce the culture and awareness of risk management throughout the organization that would attach high priority on effective risk management and adherence to sound internal controls.
14. Status/action taken report on the observations of the earlier Committee meeting.
15. All other agenda items required to be placed to RMCB in compliance with the policies of the bank and as directed by the Board/RMC from time to time
16. Risk associated with outsourced activities of the Bank.
17. Review of Cyber Risk
18. Monitoring of Liquidity Risk Parameters
19. Review of Stress Testing

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THE TERMS OF REFERENCE OF N P A REVIEW COMMITTEE

This Committee has been constituted to review:

1. All NPA Accounts above Rs. 500.00 Lakhs. The Committee meets once in a quarter.
2. Status report on recovery Position/details of structured meeting held with ARC's in NPAs sold to Asset Reconstruction Company's (ARCs), where bank had invested in Security Receipts (SRs) backed by the stressed assets sold.
3. Review report on the recovery in technically written off accounts with balance outstanding of Rs.5.00 crore and above.

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Terms of reference of Audit Committee

1. Oversight of the Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, adequate and credible.
2. Recommending to the Board, the appointment, re-appointment and terms of appointment of auditors or, if required, the replacement of the statutory auditor together with the fixation of audit fees and approval of payment for any other services rendered by the statutory auditors.
3. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
4. Reviewing with management the annual financial statements and auditor's report thereon before submission to the Board with special emphasis on accounting policies and practices, compliance with accounting standards and other legal requirements concerning financial statements.
5. Valuation of undertakings or assets of the company, wherever it is necessary;
6. Review with the management, the financial statement, review and monitor the performance of statutory and internal auditors, adequacy of the internal control systems;
7. Review, with the management, the quarterly financial statements before submission to the board for approval.
8. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
9. Management letters / letters of internal control weaknesses issued by the statutory auditors;
10. Review of quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) & Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
11. Evaluation of Internal Financial Controls and Risk Management System including reviewing the adequacy of the Audit and Compliance functions, including their policies, procedures, techniques and other regulatory requirements.
12. Review, as far as the situation necessitates all other finding in the audit reports (along with brief details of special reports) including Risk based internal Audit Reports, Credit audit reports, management audit reports of head office departments and regional offices, concurrent audit reports, surprise inspection reports and gold asset verification reports.
13. Monitoring the end use of funds raised through public offers and related matters.
14. Review with the management, the financial statement, review and monitor the performance of statutory and internal auditors, adequacy of the internal control systems;
15. Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit and discussion with internal auditors of any significant findings and follow up there on;
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

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17. Management discussion and analysis of financial condition and results of operations.
18. Internal audit reports relating to internal control weaknesses; and the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
19. To review the functioning of the whistle blower mechanism;
20. Approval or any subsequent modification of transactions of the company with related parties;
21. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
22. Management discussion and analysis of financial condition and results of operations.
23. Scrutiny of inter-corporate loans and investments;
24. Appointment of chief financial officer, Chief Risk Officer and Chief Internal and Vigilance Officer, after assessing the qualifications, experience and background etc. of the candidate;
25. Review of report on annual compliance risk assessment.
26. Review of all reports as per the calendar of reviews stipulated by the RBI from time to time;
27. Any show cause, demand and prosecution notice and penalty notices issued by any Govt./Quasi Govt./ regulatory authority with its implication and action taken.
28. Any other terms of reference as may be included from time to time in SEBI (LODR) Regulations 2015, the Companies Act, 2013 and by Reserve Bank of India.
29. Any other items which may be required to be placed to the Audit Committee as per the Policy of the Bank and as may be permitted by the Board/ Committee from time to time
30. Monitoring the Concurrent Audit function and internal audit of all outsourced activities
31. Recommending to the Board, the appointment, re-appointment and terms of appointment of secretarial auditors or, if required, the replacement of the secretarial auditor together with the fixation of audit fees and yearly review of secretarial audit report.

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The terms of reference of the Management Committee

1. Consider all credit proposals, beyond the powers of Managing Director and Credit Committees constituted by the Board.
2. OTS proposals within the powers of the Board
3. Ratification proposals of sanction made by Credit Committees and MD beyond its powers.
4. Review of Sanctions made by Credit Committees.
5. Review of MD's sanctions.
6. Review of Food Credit – Monthly disbursement (Monthly).
7. NPA recovery (Monthly).
8. Compromise proposals sanctioned by MD (Quarterly).
9. Review of the order of Committee for identification of Wilful Defaulters
10. Review of the order of Committee for identification of non - cooperative borrowers of the bank.
11. Review of Top 100 NPA accounts below 5 crores (SS/ Doubtful/Loss) (25 in each quarter) – Quarterly.
12. Write off/remission allowed by the Bank for the previous Quarter (Quarterly).
13. Status report on OTS sanctioned by MCB during last one year (Quarterly).
14. Review of Quick Mortality account of Rs.1.00 crore and above and Staff accountability review in NPA accounts with GNPA of Rs.5.00 Crores to less than 25.00 crores (Quarterly).
15. Documents time barred/getting time barred (Quarterly).
16. Concessions given by MD & CEO in MC Sanctions and review of MD & CEO sanctions by MC (Quarterly).
17. Overdue Credit Proposal over 3 months, falling within the power of MC (Quarterly).
18. Review of Performance under Annual Credit Plan (ACP) (Half yearly).
19. Review of Advances granted to SC/ST under Priority Sector (Half yearly).
20. Legal action waiver allowed by MD (Quarterly).
21. Sanction to bid the property in court auction above the decreetal dues.
22. Enhancement of the prudential individual exposure limit.
23. Miscellaneous items not requiring the approval of the Board.
24. Periodically review the large corporate loans and advances appearing in SMA lists
25. Review of all reports as per the calendar of reviews stipulated by the RBI from time to time;
26. Any other items which may be permitted by the Board from time to time.
27. Payment of compensation in consumer cases (above Rs1,00,000/-).
28. Review of all reports as per the calendar of reviews stipulated by the RBI from time to time;
29. Any other items which may be permitted by the Board from time to time.
30. Acquisition of Fixed Assets.(Non IT related)
31. Awarding of Contracts/Appointment of Architects and Engineers for building construction / renovation etc.where the expenditure exceeds the delegated powers.
32. For incurring any Revenue or Capital Expenditure pertaining to the dept. in excess of the delegated powers.
33. Ratification Note for exceeding of various limits fixed as per Forex Policy.

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34. Bidding for Equity shares through Book building process and subscription to Equity shares in primary market.
35. Subscription, purchase and sale/offer for repurchase of units of debt oriented mutual funds as well as increasing the exposure to the debt oriented mutual funds including liquid and floating rate funds.
36. Equity Trading (Monthly).
37. Investment in Equity shares in the secondary market.
38. Statement of Structural Liquidity (Fortnightly).
39. Statement of Interest Rate Sensitivity(Monthly).
40. Prob. Impact of rise in yields on market value of Central Government Securities & Trading Book Investments (Monthly).
41. Report on Country Risk (Monthly).
42. Report of VaR of Central Government Securities in AFS & HFT category (Trading Book) & of Currencies (Monthly).
43. Exposure Monitoring (Monthly).
44. Monitoring of excess CRR (Quarterly).
45. Review of Debit / Credit / Travel Cards (Half yearly).
46. Review of performance of MasterCard debit card operations (Quarterly).
47. Fresh purchases, AMC (Annual Maintenance Contract) and other IT related expenses – beyond the delegated powers of HO Executives.
48. Opening and operation of Bank Accounts.
49. Region-wise fund Position (Fortnigthly).
50. Issue of duplicate share certificates in Lieu of original Share Certificates Lost / Misplaced
51. Miscellaneous items not requiring the approval of the Board.
52. Review of all reports as per the calendar of reviews stipulated by the RBI from time to time;
53. Any other items which may be required to be placed as per the Policy of the Bank and as may be permitted by the Board/ Committee from time to time

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The terms of reference of Capital Planning & Infusion Committee.

The Bank had constituted one special purpose committee viz. The Capital Planning & infusion Committee was formed on May 28, 2014 to analyze various options for infusion of Capital and to do all acts and things and to take all decisions pertaining to the issue and which are ancillary and incidental to such decisions including the short-listing/appointment of Merchant Bankers to the issue.

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COMMITTEE OF INDEPENDENT DIRECTORS

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

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

1. To review the performance of non-independent directors and the Board as a whole;
2. To review the performance of the Chairman of the Bank taking into account the views of executive directors and non-executive directors;
3. To assess the quality, quantity and timeliness of flow of information between the Bank management and the Board that is necessary for the Board to effectively and reasonably perform their duties;
4. To perform such other roles as may be prescribed by the Companies Act, 2013, SEBI (LODR) Regulations 2015, Banking Regulation Act, 1949 and the Circulars/Regulations issued by the Regulatory Authorities from time to time.

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