



महाराष्ट्र MAHARASHTRA

2019

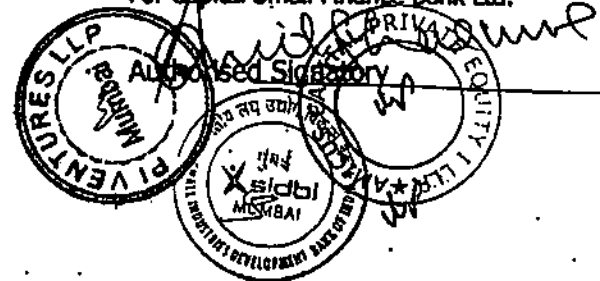
AU 036799

प्रधान मुद्रांक कार्यालय, मुंबई
 प.म. नि. क्र. 10000003
 23 OCT 2019
 सक्षम अधिकारी

THIS STAMP PAPER FORMS AN INTEGRAL PART OF THE SHAREHOLDERS' AGREEMENT DATED 07 NOVEMBER 2019, BY AND AMONGST:

- 1 CAPITAL SMALL FINANCE BANK LIMITED;
- 2 A VENTURES LLP;
- 3 SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA;
- 4 AMICUS CAPITAL PRIVATE EQUITY I LLP;
- 5 AMICUS CAPITAL PARTNERS INDIA FUND I;
- 6 OMAN INDIA JOINT INVESTMENT FUND II;
- 7 THE PROMOTERS;
- 8 THE PROMOTER GROUP; AND
- 9 THE KEY SHAREHOLDERS.

CERTIFIED TRUE COPY
 For Capital Small Finance Bank Ltd.



000093

CAPITAL SMALL FINANCE BANK LTD.

MIDAS Corporate Park,
3rd Floor, 37, GT.Road,
JALANDHAR -144 001 (Pb.)



000093
असा प्रतिज्ञापत्रासाठी Only for Affidavit
मुद्रांक विकत घेणा-याचे नाव _____

मुद्रांक विकत घेणा-याचे रहिवासी पत्ता _____

मुद्रांक विकत घेणायाची नोंद बही अनु. क्रमांक _____ दिनांक _____

मुद्रांक विकत घेणा-याची सही परधनपारिच्छेदक विकतघ्याची सही

परवाना क्रमांक : ८०००००३

मुद्रांक विकत घेणे नाव/पत्ता : श्री. अशोकरघुनाथ कदम

२९०, सहिद भगत सिंह रोड, २/१५, आनंद पुवन, फोर्ट, मुंबई - ४००००६

राजकीय कोषालयांबाबत / न्यायालयाबाबत प्रतिज्ञापत्र सादर करणेकरीता मुद्रांक कागदपत्राची आवश्यकता नाही. (साधन अदिश दि. ०४/०७/२००४ मुद्रांक)

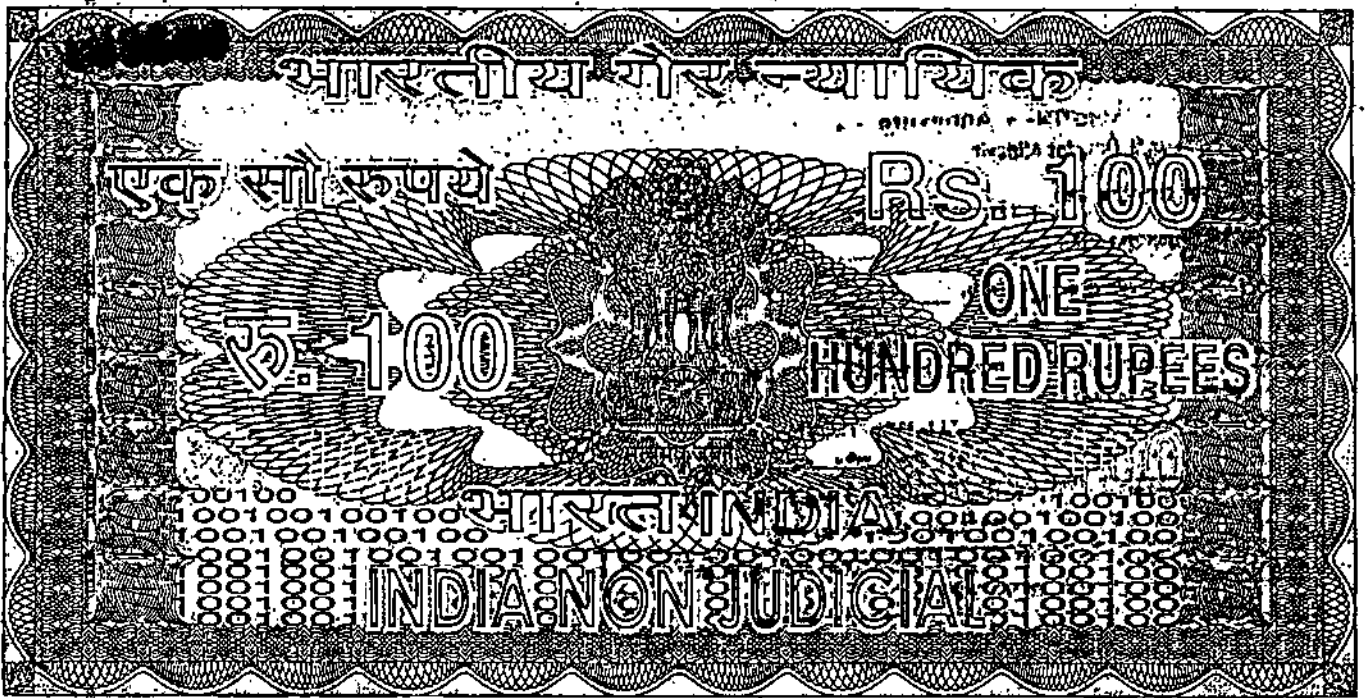
या कोषालयासाठी ज्यांनी मुद्रांक करेदी केला त्यांनी त्याच कागदपत्रासाठी मुद्रांक करेदी घेण्याबाबत व अदिश्यात सादर केलेले संकेतकारक आहे

- 4 NOV 2019

- 4 NOV 2019

000 71527





महाराष्ट्र MAHARASHTRA

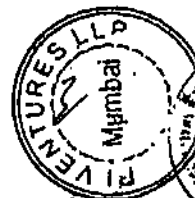
© 2019 ©

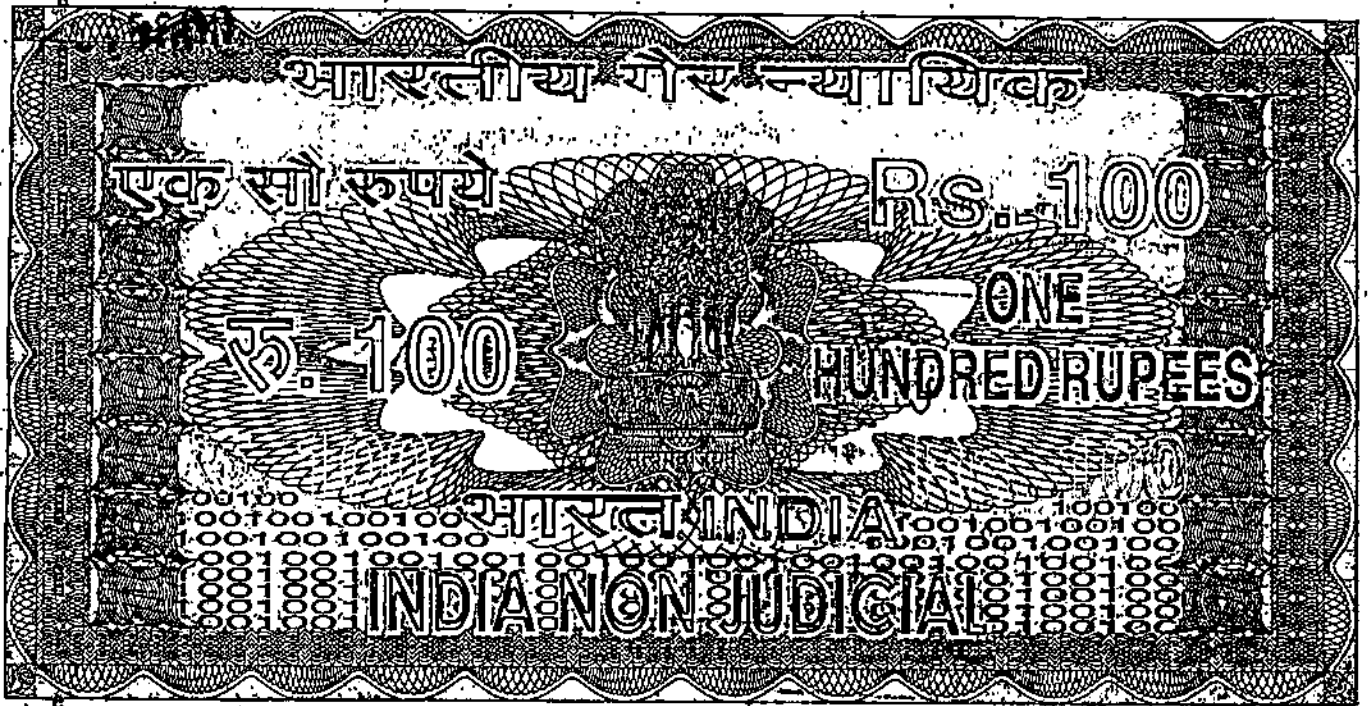
VW-009477
 प्रधान मुद्रांक कार्यालय, मुंबई.
 प.मु.वि.क्र. ८००१००३
 15 OCT 2019
 सक्षम अधिकारी

श्री सी. टी. आंबेकर

THIS STAMP PAPER FORMS AN INTEGRAL PART OF 'THE SHAREHOLDERS' AGREEMENT DATED 07 NOVEMBER 2019, BY AND AMONGST;

- ① CAPITAL SMALL FINANCE BANK LIMITED;
- ② PI VENTURES LLP;
- ③ SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA;
- ④ AMICUS CAPITAL PRIVATE EQUITY I LLP;
- ⑤ AMICUS CAPITAL PARTNERS INDIA FUND I;
- ⑥ OMAN INDIA JOINT INVESTMENT FUND II;
- ⑦ THE PROMOTERS;
- ⑧ THE PROMOTER GROUP; AND
- ⑨ THE KEY SHAREHOLDERS.





महाराष्ट्र MAHARASHTRA

© 2019 ©

VW 009468

प्रधान मुद्रांक कार्यालय, मुंबई.
 प.मु.वि.क. ८०००००३
 15 OCT 2019
 सक्षम अधिकारी

श्री सी. टी. आंबेकर

THIS STAMP PAPER FORMS AN INTEGRAL PART OF THE SHAREHOLDERS AGREEMENT DATED 07 NOVEMBER 2019, BY AND AMONGST:

- ① CAPITAL SMALL FINANCE BANK LIMITED;
- ② Pi VENTURES LLP;
- ③ SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA;
- ④ AMICUS CAPITAL PRIVATE EQUITY I LLP;
- ⑤ AMICUS CAPITAL PARTNERS INDIA FUND I;
- ⑥ OMAN INDIA JOINT INVESTMENT FUND II;
- ⑦ THE PROMOTERS;
- ⑧ THE PROMOTER GROUP; AND
- ⑨ THE KEY SHAREHOLDERS.



SHAREHOLDERS' AGREEMENT DATED NOVEMBER 7, 2019

BY AND AMONGST
CAPITAL SMALL FINANCE BANK LIMITED
AND
PI VENTURES LLP
AND
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA
AND
AMICUS CAPITAL PRIVATE EQUITY I LLP
AND
AMICUS CAPITAL PARTNERS INDIA FUND I
AND
OMAN INDIA JOINT INVESTMENT FUND II
AND
THE PROMOTERS
AND
THE KEY SHAREHOLDERS
AND
THE PROMOTER GROUP

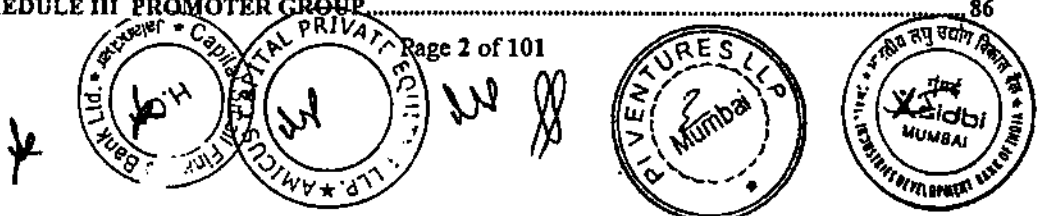


K

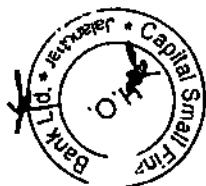


TABLE OF CONTENTS

1. DEFINITIONS.....	7
2. INTERPRETATIONS.....	20
3. EFFECTIVE DATE	21
4. REPRESENTATIONS AND WARRANTIES	21
5. BOARD OF DIRECTORS.....	24
6. MEETINGS OF THE BOARD.....	26
7. GENERAL MEETINGS	28
8. RELATED PARTY TRANSACTIONS.....	30
9. ANNUAL BUDGETS	30
10. DIVIDEND AND DISTRIBUTION POLICY.....	30
11. PRE-EMPTION AND ANTI-DILUTION RIGHTS.....	31
12. EXIT RIGHTS.....	33
13. OBLIGATIONS OF BANK AND PROMOTERS.....	46
14. INFORMATION, ACCOUNTING AND FINANCE	49
15. OTHER COVENANTS.....	51
16. EVENT OF DEFAULT	55
17. TERM AND TERMINATION	62
18. CONFIDENTIALITY	62
19. NOTICES	63
20. GOVERNING LAW, DISPUTE RESOLUTION AND JURISDICTION.....	66
21. SEVERABILITY OF PROVISIONS.....	67
22. BINDING EFFECT AND INVALIDITY	67
23. ENTIRE AGREEMENT	67
24. REMEDIES.....	67
25. SPECIFIC PERFORMANCE	68
26. PRIVACY OF CONTRACT	68
27. NO PARTNERSHIP OR AGENCY.....	68
28. ASSIGNMENT	68
29. WAIVER OF RIGHTS	68
30. AMENDMENTS	68
31. COUNTERPARTS	69
32. FURTHER ASSURANCE	69
33. PARTIES CONSENSUS	69
34. COST AND EXPENSES	69
35. INDEPENDENT COUNSEL.....	70
SCHEDULE I LIST OF PROMOTERS	84
SCHEDULE II LIST OF KEY SHAREHOLDERS.....	85
SCHEDULE III PROMOTER GROUP.....	86



SCHEDULE IV DEED OF ADHERENCE.....	87
SCHEDULE V DEED OF CONFIRMATION	90
SCHEDULE VI ESCROW ARRANGEMENT.....	92
SCHEDULE VII.....	93
QUARTERLY COMPLIANCE CERTIFICATE FOR ESG LAWS	93
SCHEDULE VIII QUARTERLY COMPLIANCE CERTIFICATE FOR SANCTIONS LAW AND REGULATIONS	99
COMPLIANCE CERTIFICATE.....	100



Handwritten initials



This **SHAREHOLDERS' AGREEMENT** ("Agreement") is entered into on November 7, 2019 ("Execution Date") at Mumbai by and amongst:

1. **CAPITAL SMALL FINANCE BANK LIMITED**, a public company incorporated under the Companies Act, 1956 having its registered office and head office at Miḡas Corporate Park, 3rd Floor, 37, G.T. Road, Jalandhar – 144 001 India (hereinafter referred to as the "Bank", which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns) of the **First Part**;

AND

2. **PI VENTURES LLP**, a limited liability partnership registered under the LLP Act having its registered office at 102, 10th Floor, Maker Chambers III, Nariman Point, Mumbai – 400 021, Maharashtra, India (hereinafter referred to as "Existing Investor A", which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns) of the **Second Part**;

AND

3. **SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA**, a Corporation established under the Small Industries Development Bank of India Act, 1989 (39 of 1989), having its Head Office at SIDBI Tower, 15, Ashok Marg, Lucknow – 226 001 and a Corporate Office at Swavalamban Bhavan, C-11, G- Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 (hereinafter referred to as "Existing Investor B", which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns) of the **Third Part**;

AND

4. **AMICUS CAPITAL PRIVATE EQUITY I LLP**, a limited liability partnership incorporated and registered under the laws of India, and registered with the Securities and Exchange Board of India (SEBI) as a Category II Alternative Investment Fund, having its principal place of business at 4th Floor, Rocklines House, 9/1 Museum Road, Bangalore 560 001, hereinafter referred to as the "ACPE" (which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns) of the **Fourth Part**;

AND

5. **AMICUS CAPITAL PARTNERS INDIA FUND I**, a trust created under Indian Trusts Act, 1882 and registered with the Securities Exchange Board of India as a Category II Alternative Investment Fund, having its principal place of business at IL&FS Financial Centre, Plot C-22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 represented by Vistra ITCL (India) Limited (formerly known as IL&FS Trust Company Limited), in its capacity as Trustee of Amicus Capital Partners India Fund I, having its registered office at IL&FS Financial Centre, Plot C-22, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, hereinafter referred to as the "ACPIF" (which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns) of the **Fifth Part**;

AND

6. **OMAN INDIA JOINT INVESTMENT FUND II**, an alternative investment fund registered with the Securities and Exchange Board of India, acting through its investment manager, Oman India Joint Investment Fund – Management Company Private Limited, having its registered office at One Indiabulls Centre, Unit No. 1101, Tower 2A, 841, Senapati Bapat Marg, Elphinstone (West), Mumbai – 400 013 (hereinafter referred to as the "OIJIF", which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns) of the **Sixth Part**;

Page 4 of 101

The bottom of the page contains several circular stamps and handwritten signatures. From left to right: a stamp for 'Capital Small Finance Bank Limited' with a signature; a stamp for 'Amicus Capital Private Equity I LLP' with a signature; a stamp for 'PI Ventures LLP' with a signature; and a stamp for 'Small Industries Development Bank of India' with a signature.

AND

7. **THE PERSONS LISTED IN SCHEDULE I of Annexure I hereto** (hereinafter referred to individually as a "Promoter" and collectively as the "Promoters", which expression shall unless repugnant to the context deemed to mean and include their respective successors, executors, heirs, legal representatives and permitted assigns) of the Seventh Part;

AND

8. **THE PERSONS LISTED IN SCHEDULE III hereto** (hereinafter referred to as a "Promoter Group" which expression shall unless repugnant to the context deemed to mean and include their respective successors, executors, heirs, legal representatives and permitted assigns) of the Eighth Part;

AND

9. **THE PERSONS LISTED IN SCHEDULE II hereto** (hereinafter referred to individually as "Key Shareholder" and collectively as the "Key Shareholders", which expression shall unless repugnant to the context deemed to mean and include their heir, legal representatives and permitted assigns) of the Ninth Part.

Existing Investor A and Existing Investor B are collectively referred to as the "Existing Investors".

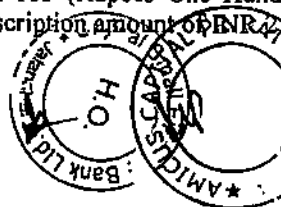
ACPE and ACPIF are collectively referred to as "Amicus".

Existing Investors, Amicus and OIJIF are collectively referred to as the "Investors".

The Bank, the Investors, the Promoters, and the Key Shareholders shall be individually referred as a "Party" and collectively as the "Parties".

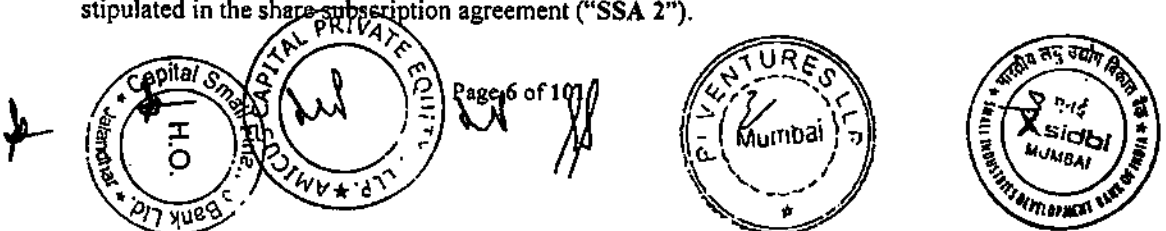
WHEREAS:

- (A) The Bank is currently (i) registered with the RBI (*as defined hereinafter*) as a 'small finance bank' and an AD Cat II (*as defined hereinafter*) and is, *inter-alia*, engaged in the business of accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and withdrawable by cheque, draft, order or otherwise, and any other small finance business activities permitted by the RBI (*as defined hereinafter*) and Applicable Law (*as defined hereinafter*), as an eligible activity for 'small finance banks' under the SFB Guidelines (*as defined hereinafter*); and (ii) registered with the IRDA (*as defined hereinafter*) as a 'corporate agent' (the "Business").
- (B) In terms of a share subscription agreement dated March 30, 2017, entered into by and among *inter alia* Existing Investor A, and the Bank, the Existing Investor A subscribed to and was allotted 13,22,400 (Thirteen Lakh Twenty Two Thousand Four Hundred) Equity Shares of face value INR 10 (Rupees Ten Only) each, at an issue price of INR 163 (Rupees One Hundred and Sixty Three Only) per Equity Share, for a total subscription amount of INR 21,55,51,200 (Rupees Twenty One Crores Fifty Five Lakhs Fifty One Thousand Two Hundred Only). Further, in terms of a share subscription agreement dated September 21, 2017, entered into by and among Existing Investor A, Existing Investor B, the Promoters, the Promoter Group, the Key Shareholders and the Bank, (i) Existing Investor A subscribed to and was allotted 72,000 (Seventy Two Thousand) Equity Shares of face value INR 10 (Rupees Ten Only) each, at an issue price of INR 163 (Rupees One Hundred and Sixty Three Only) per Equity Share, for a total subscription amount of INR 1,17,36,000 (Rupees One Crore Seventeen Lakhs and Thirty Six Thousand Only); and (ii) Existing Investor B subscribed to and was allotted 13,49,650 (Thirteen Lakh Forty Nine Thousand Six Hundred and Fifty) Equity Shares of face value INR 10 (Rupees Ten Only) each, at an issue price of INR 163 (Rupees One Hundred and Sixty Three Only) per Equity Share, for a total subscription amount of INR 2,21,99,92,950 (Rupees Twenty One Crore Ninety Nine Lakhs



Ninety Two Thousand Nine Hundred and Fifty Only) (the share subscription agreements dated March 30, 2017 and September 21, 2017 referred at this recital are collectively referred to as "SSA").

- (C) In terms of a share subscription agreement dated June 12, 2019, entered into by and among Amicus, Existing Investor A, the Promoters, the Promoter Group, the Key Shareholders and the Bank, (i) Amicus subscribed to and was allotted 15,01,454 (Fifteen Lakhs One Thousand Four Hundred and Fifty Four) Equity Shares of face value INR 10 (Rupees Ten Only) each, at an issue price of INR 252 (Rupees Two Hundred Fifty Two Only) per Equity Share, for a total subscription amount of INR 37,83,66,408 (Rupees Thirty Seven Crore Eighty Three Lakh Sixty Six Thousand Four Hundred and Eight Only) amounting to 4.99% (Four Point Nine Nine Percent) shareholding of the Bank on a Fully Diluted Basis; and (ii) Existing Investor A subscribed to and was allotted 1,07,054 (One Lakh Seven Thousand and Fifty Four) Equity Shares of face value INR 10 (Rupees Ten Only) each, at an issue price of INR 252 (Rupees Two Hundred Fifty Two Only) per Equity Share, for a total subscription amount of INR 2,69,77,608 (Rupees Two Crore Sixty Nine Lakh Seventy Seven Thousand Six Hundred and Eight Only) which, taken together with its existing stake in the Bank, amounts to an aggregate shareholding of 4.99% (Four Point Nine Nine Percent) of the Bank on a Fully Diluted Basis (the "SSA 1"). Further, in terms of an addendum to the SSA 1, (i) Amicus has agreed to subscribe to 1,85,526 (One Lakh Eighty Five Thousand Five Hundred Twenty and Six) Equity Shares of face value INR 10 (Rupees Ten Only) each at an issue price of INR 252 (Rupees Two Hundred Fifty Two Only) per Equity Share for a total consideration of INR 4,67,52,552 (Rupees Four Crores Sixty Seven Lakhs Fifty Two Thousand Five Hundred and Fifty Two Only); and (ii) Existing Investor A has agreed to subscribe to 1,85,526 (One Lakh Eighty Five Thousand Five Hundred Twenty and Six) Equity Shares of face value INR 10 (Rupees Ten Only) each at an issue price of INR 252 (Rupees Two Hundred Fifty Two Only) per Equity Share for a total consideration of INR 4,67,52,552 (Rupees Four Crores Sixty Seven Lakhs Fifty Two Thousand Five Hundred and Fifty Two Only), subject to the terms and conditions set out in the addendum to the SSA 1 and fulfilment of certain conditions precedent (the "Addendum").
- (D) Simultaneous with the execution of the Share Subscription Agreement 1, Amicus, the Existing Investors, the Promoters, the Promoter Group, the Key Shareholders and the Bank entered into a deed of accession and amendment dated June 12, 2019 (the "Accession Deed") in furtherance of the shareholders' agreement dated September 21, 2017 executed by and among the Existing Investors, the Promoters, the Promoter Group, the Key Shareholders and the Bank (the "Existing SHA"), pursuant to which, on and from the SSA 1 Closing Date (*defined later*), Amicus became an additional party to the Existing SHA and entitled to all the rights (and subject to all the obligations) of the Existing Investors under the Existing SHA.
- (E) Under the Accession Deed, the Existing Investors, the Promoters, the Promoter Group, the Key Shareholders and the Bank had agreed that within 150 (One Hundred and Fifty) days of the SSA 1 Closing Date (or by such other date as may be mutually agreed), the Parties shall duly execute a restated shareholders' agreement on mutually agreed terms and conditions.
- (F) In terms of a share subscription agreement dated August 2, 2019, entered into by and among OIIF, the Promoters, the Bank, the Promoter Group and the Key Shareholders, OIIF has agreed to subscribe to such number of Equity Shares representing 9.90% (Nine Point Nine Zero Percent) shareholding of the Bank on a Fully Diluted Basis, at a price of INR 252 (Rupees Two Hundred Fifty Two) per Equity Share (as determined in accordance with the Applicable Law) for an aggregate consideration not exceeding INR 87,50,00,000 (Rupees Eighty Seven Crores Fifty Lakhs only), subject to fulfilment of conditions precedent stipulated in the share subscription agreement ("SSA 2").



- (G) Under the SSA 2, entered into by and among OIJF, the Promoters, the Promoter Group, the Key Shareholders and the Bank, one of the conditions precedent is execution of a restated shareholders' agreement on mutually agreed terms and conditions.
- (H) Accordingly, in furtherance of the terms of the Accession Deed and the SSA 2, the Parties are now desirous of entering into this Agreement in order to define their mutual rights and obligations *inter se* and to set out the terms and conditions governing their relationship with the Bank.
- (I) The Parties now propose to substitute the Existing SHA and any similar previous agreements, including any amendments thereof, with the terms and conditions set out in this Agreement, except the surviving provisions as contained in Clause 17.5 of the Existing SHA.

NOW, THEREFORE, in consideration of, and subject to, the mutual covenants, agreements, terms and conditions herein contained, the Parties agree as follows:

1. DEFINITIONS

In this Agreement, the following words and expressions (including in the recitals hereof or annexures/schedules hereto) shall have the following meanings ascribed to them, unless the context otherwise requires:

"1949 Act" shall mean the Banking Regulation Act, 1949 and includes any amendment, statutory modifications or re-enactment thereof for the time being in force and rules, regulations, directives, guidelines, notifications, orders there under;

"Accounting Standards" shall mean the generally accepted Indian accounting principles promulgated by the Institute of Chartered Accountants of India, together with its pronouncements thereon from time to time or such other accounting principles to be followed by the Bank from time to time in accordance with the Applicable Law, in each case applied on a consistent basis;

"Act" shall mean the Companies Act, 2013 and includes, wherever applicable, the rules framed there under, any amendment, statutory modification or re-enactment thereof for the time being in force;

"AD Cat II" shall mean an entity which is authorized by the RBI to carry out specified non-trade related current account transactions, all the activities permitted to full-fledged money changers and any other activity as decided by the RBI, and shall include (i) upgraded full-fledged money changers; (ii) select regional rural banks; (iii) select urban cooperative banks; and (iv) other entities;

"Acquiring Investor" shall have the meaning set forth in Clause 12.3(i)(d);

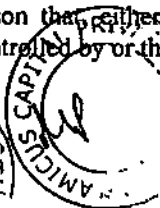
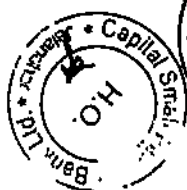
"Acquisition Notice" shall have the meaning set forth in Clause 12.3(i)(d);

"Acquisition Price" shall have the meaning set forth in Clause 12.3(i)(d);

"Acquisition Securities" shall have the meaning set forth in Clause 12.3(i)(c);

"Addendum" shall have the meaning set forth in Recital (C);

"Affiliates" of a Person (the "Subject Person") means, unless expressly stated otherwise, (i) in the case of any Subject Person other than a natural Person, any other Person that, either directly or indirectly through one or more intermediate Persons, Controls, is Controlled by or is under common Control with the Subject Person, and (ii) in the case of any Subject Person that is a natural Person, a Controlled Affiliate or a Relative Affiliate any other Person that either directly or indirectly through one or more intermediate Persons, is Controlled by or that is a Relative of the Subject Person.



without prejudice to the generality of the foregoing, "Affiliate", in respect of:

- (a) Amicus shall be deemed to include any fund, collective investment scheme, trust, partnership (including, without limitation, any co-investment partnership), special purpose or other vehicle or any Subsidiary or affiliate of any of the foregoing, which is advised/managed by Amicus India Capital Partners LLP and/or Amicus Capital Managers and any investors or limited partners of Amicus, whether on the Execution Date or any time thereafter but shall not, for the avoidance of doubt, include any portfolio company in which Amicus has invested in or may invest in the future;
- (b) OIJIF, (i) any Person managing, or acting as an investment adviser to the investment funds that directly or indirectly Controls or is Controlled by OIJIF; or (ii) a fund, collective investment scheme, trust, partnership (including without limitation any co-investment partnership), co-investment vehicle, society, special purpose or other vehicle or any Subsidiary or Affiliate of any of the foregoing, which is Controlled or managed by OIJIF or in which OIJIF is a contributor, sponsor, shareholder, settlor, member of a management or investment committee or trustee; or (iii) any shareholder, contributor or sponsor of OIJIF, or any Person which has a substantial or majority interest by way of shareholding, voting rights or otherwise in OIJIF. Notwithstanding the foregoing for the purposes of this Agreement: (a) OIJIF and/or any of its Affiliates shall not be considered as Affiliates of the Bank and vice-versa, (b) with respect to OIJIF, the portfolio companies in which OIJIF has invested as a financial investor shall not be considered as an Affiliate of OIJIF; and (c) with respect to OIJIF, an Affiliate shall include State Bank of India and State General Reserve Fund of Oman; and
- (c) Existing Investor A shall also include funds and investment vehicles Controlled by Existing Investor A or its Affiliates;

"Agreement" shall mean this agreement together with its Annexures and Schedules and all instruments supplemental to or amending, modifying or confirming this agreement in accordance with the provisions of this agreement;

"Amicus Nominee Director" shall have the meaning assigned to it in Clause 5.2(ii)(c);

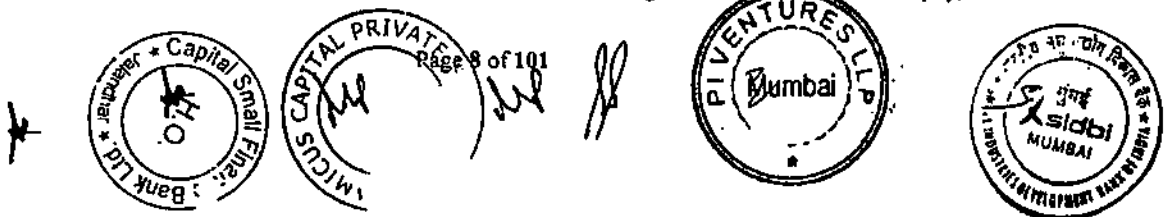
"Amount" shall have the meaning set forth to it in Clause 12.5(ii)(a);

"Annual Budget" shall have the meaning set forth to it in Clause 9.1;

"Annual General Meeting" shall mean meeting of the Shareholders, convened under and held pursuant to Section 96 of the Act;

"Anti-Corruption Laws" shall mean laws, regulations or orders relating to anti-bribery or anticorruption (governmental or commercial), which apply to the Business and dealings of the Bank, its Subsidiaries and their respective shareholders including, without limitation, laws that prohibit the corrupt payment, offer, promise, or authorization of the payment or transfer of anything of value (including gifts or entertainment), directly or indirectly, to any Government Official, commercial entity, or any other Person to obtain a business advantage; such as, without limitation, the Unlawful Activities (Prevention) Act, 1967; the Prevention of Corruption Act, 1988; Whistle Blowers Protection Act, 2011; the U.S. Foreign Corrupt Practices Act, 1977, as amended from time to time; the UK Bribery Act, 2010 and all national and international laws enacted to implement the OECD Convention on Combating Bribery of Foreign Officials in International Business Transactions;

"Anti-Dilution Issuance Notice" shall have the meaning set forth in Clause 11.1(iv);



"Anti-Dilution Securities" shall have the meaning set forth in Clause 11.1(iv);

"Anti-Money Laundering Laws" shall mean:

- (a) those laws, regulations and sanctions that (a) limit the use of and/or seek the forfeiture of proceeds from illegal transactions; (b) limit commercial transactions with designated countries or individuals believed to be terrorists, narcotics dealers, supporters of weapons proliferation or otherwise engaged in activities contrary to the interests of India; or (c) are designed to disrupt the flow of funds to terrorist organisations, in each of the cases to such extent as applicable to the Bank or the Promoters or their respective Affiliates; and
- (b) Prevention of Money Laundering Act, 2002 and the rules, regulations, notifications and circulars prescribed thereunder and laws, regulations or orders relating to anti-money laundering, which apply to the Business and dealings of the Bank and its Subsidiaries.

"Applicable Law" or "Law" means to the extent it applies to a Person, all applicable:

- (a) statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, by-laws, regulations, listing agreements, notifications, guidelines or policies issued by any Governmental Authority including the Act, the 1949 Act, the RBI Act and the Guidelines and any license, permit or other authorisations granted from or by the RBI;
- (b) administrative interpretation, writ, injunction, directions, directives, judgement, arbitral award, decree, orders or governmental approvals of, or agreements with, any Governmental Authority or recognized stock exchange; and
- (c) international treaties, conventions and protocols including Anti-Corruption Laws and Sanctions Law and Regulations;

as may be in force from time to time;

"Approval" means any permission, approval, confirmation, waiver, consent, license, permit (including any construction permit), order, authorization, registration, filing, notification, certificates, variances, expirations and or ruling in, from or by any Governmental Authority;

"Articles" shall mean the articles of association of the Bank, as amended from time to time;

"Auditors" shall mean the independent statutory auditors of the Bank;

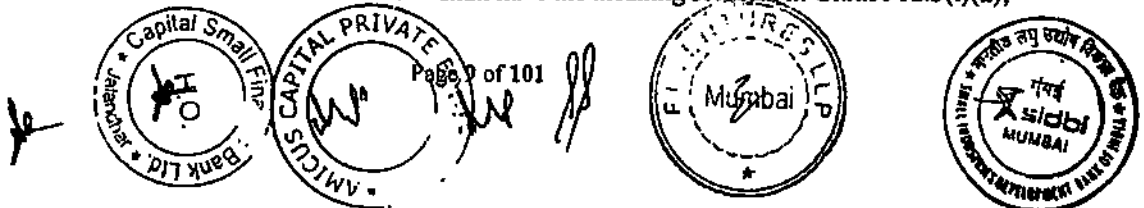
"Authorization" shall mean any Consent, registration, filing, agreement, notarization, certificate, license, approval, permit, authority or exemption from, by or with any Governmental Authority, whether given by express action or deemed given by failure to act within any specified time period and all corporate, creditors' and shareholders' approvals or Consents;

"Bank" shall have the meaning set forth in the Preamble;

"Banking Companies" shall mean a banking company as defined under Section 5 of the 1949 Act;

"Bank Facilitated Exit" shall have the meaning set forth in Clause 12.3(i)(a);

"Bank Facilitated Exit Intimation" shall have the meaning set forth in Clause 12.3(i)(a);



"Bank Facilitated Exit Participation Notice" shall have the meaning set forth in Clause 12.3(i)(b);

"Bank Head Office" shall mean Bank's head-office at Midas Corporate Park, 3rd Floor, 37, G.T. Road, Jalandhar – 144 001, India;

"Board" shall mean the board of directors of the Bank incorporated in accordance with Applicable Laws;

"Business" shall have the meaning set forth in Recital (A), and shall include the Principal Business;

"Business Day(s)" shall mean a day, other than Saturday and Sunday, on which commercial banks are open for business in Mumbai, Bangalore and Jalandhar, India;

"Buyback Completion Notice" shall have the meaning set forth to it in Clause 12.5(iii)(b);

"Buyback Intimation Notice" shall have the meaning set forth to it in Clause 12.5(iii)(a);

"Buyback Notice" shall have the meaning set forth to it in Clause 12.5(iii)(a);

"Buyback Response" shall have the meaning set forth to it in Clause 12.5(iii)(a);

"Buyback Response Period" shall have the meaning set forth to it in Clause 12.5(iii)(a);

"Buyback Sale Period" shall have the meaning set forth to it in Clause 12.5(iii)(b);

"Buyback Securities" shall have the meaning set forth to it in Clause 12.5(iii)(a);

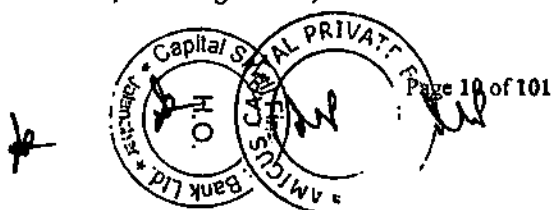
"Chairman" shall mean the chairman of the Bank who shall be appointed by the Board in accordance with the Applicable Law;

"Charter Documents" shall mean and include the Memorandum and the Articles;

"Claims" shall mean any contractual, legal, administrative or regulatory proceedings against any Person or Persons alleging any act or omission or non-performance or failure by such Persons to perform any of their respective obligation, representation, warranty or covenants under any contract or agreement (including this Agreement), or Law and includes the issue of a writ or notice or summons or cross claim or counter claim issued or initiated against or fixed upon such Person;

"Confidential Information" shall mean any and all information and materials including information relating to the Business, trading, financial or other affairs, whether written, oral, graphic, machine readable or other tangible form or otherwise, irrespective of whether or not the same is specifically identified as confidential or proprietary, and whether or not stored in any medium, belonging or relating to (i) the Promoters, the Bank, their Affiliates and their respective businesses including the Business, (ii) the Investors and their Affiliates, (iii) the other Shareholders, and (iv) the Transaction Documents, and all and any information which has been or may be derived or obtained from any such information, including information relating to the products or services, processes and operations of the Bank, its contractual arrangements, market opportunities, plans and intentions, developments, data, results, inventions (whether patentable or not), know-how, show-how, trade secrets, forecasts, analyses, evaluations, research methodologies, technical or business information, personnel information and other matters concerning its business, financial or other affairs;

"Consents" means any clearance, approval (other than an Approval), consent, ratification, waiver, notice, no-objection certificate or other authorization of, from or to any Third Parties, including lenders;



"Control" or "Controlled" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting Securities or by contract, and includes:

- (i) ownership directly or indirectly of more than 26% (Twenty Six Percent) of the issued shares or other equity interests of such Person, or
- (ii) possession directly or indirectly of more than 26% (Twenty Six Percent) of the voting power of such Person, or
- (iii) ability to appoint majority of the directors on the board of directors.

The expressions 'Controls', 'Controlling' and 'Controlled' shall be construed accordingly, (as may be applicable); **"Controlled Affiliate"** in the case of any Subject Person that is a natural Person, shall mean any other Person not being a natural Person that, either directly or indirectly through one or more intermediate Persons, is Controlled by that Subject Person;

"Core Promoter" shall mean Mr. Sarvjit Singh Samra;

"Core Promoter Securities" shall mean the Securities held by the Core Promoter, at any time, on or after the SSA 1 Closing Date;

"Corporate Agent Guidelines" shall mean Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015 read with Guidelines on Licensing of Corporate Agents dated July 14, 2005 issued by the IRDA and such other rules and regulations issued by IRDA as may be relevant for the Bank;

"Country" shall mean the Republic of India;

"Deed of Adherence" means the deed of adherence in the form attached as Schedule IV;

"Decision Period" shall have the meaning set forth in Clause 12.3(i)(b);

"Default Notice" shall have the meaning set forth in Clause 16.2;

"Default Put Exercise Date" shall have the meaning set forth in Clause 16.4.2(i)(a)(C);

"Default Put Notice" shall have the meaning set forth in Clause 16.4.2(i)(a)(B);

"Default Put Price" shall have the meaning set forth in Clause 16.4.2(i)(a)(A);

"Default Put Option" shall have the meaning set forth in Clause 16.4.2(i)(a)(A);

"Default Put Securities" shall have the meaning set forth in Clause 16.4.2(i)(a)(A);

"Default Put Securities Period" shall have the meaning set forth in Clause 16.4.2(i)(b)(A);

"Dilution Event" shall have the meaning set forth in Clause 11.1;

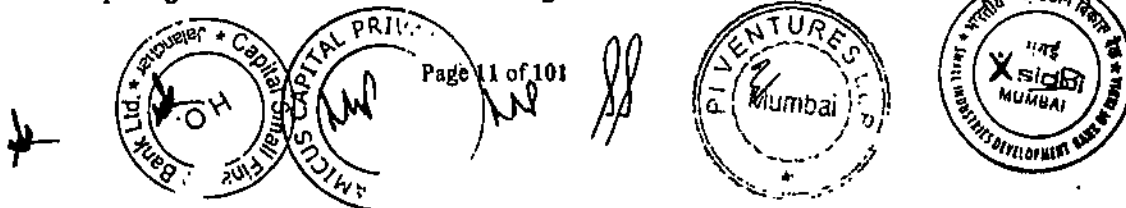
"Diminution of Value Consequence" shall have the meaning assigned to it in the SSA, the SSA 1, the SSA 2 and the Addendum;

"Director" shall mean a director appointed on the Board from time to time in accordance with the provisions of Applicable Law and the Articles of the Bank;

"Disclosing Party" shall have the meaning set forth in Clause 18.1;

"Dispute" shall have the meaning set forth in Clause 20.2;

"Disputing Investors" shall have the meaning set forth in Clause 20.6;



"Disputing Parties" shall have the meaning set forth in Clause 20.2;

"Drag Right" shall have the meaning set forth in Clause 16.4.2(i)(b)(A);

"Drag Right Exercise Date" shall have the meaning set forth in Clause 16.4.2(i)(b)(D);

"Drag Right Trigger Notice" shall have the meaning set forth in Clause 16.4.2(i)(b)(A);

"Encumbrance" shall mean:

- (i) any mortgage, charge (whether fixed or floating), pledge, lien (statutory or other), hypothecation, assignment, security interest or other encumbrances of any kind securing or conferring any priority of payment in respect of any obligation of any Person and includes without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security in each case under any Applicable Law;
- (ii) any lock-in, voting agreement, interest, option, right of first offer, refusal, pre-emption right, non-disposal undertaking, or transfer restriction in favour of any Person;
- (iii) any adverse claim as to title, possession or use; and
- (iv) any agreement, arrangement or obligation to create any of (i) and (ii);

"Equity Shares" shall mean the equity shares of par value of INR 10 (Rupees Ten only) each of the Bank and carrying 1 (one) vote each;

"Escrow Bank Account" means the escrow account to be opened and maintained in terms of Clause 15.13;

"ESG Laws" means all applicable Laws that relate to issues concerning environmental, social and governance related matters including all codes, regulations, by-laws and standards, including those that are prescribed pursuant to the United Nations Principles of Responsible Investing;

"ESG Policy" means the ESG guidelines and standards and Responsible Investing Guidelines of Amicus as listed in Schedule VII;

"Event of Default" shall have the meaning set forth in Clause 16.1;

"Existing Investor A" shall have the meaning set forth in the Preamble;

"Existing Investor B" shall have the meaning set forth in the Preamble;

"Existing Investors" shall have the meaning set forth in the Preamble;

"Existing Investors Nominee Director" shall have the meaning assigned to it in Clause 5.2(ii)(b);

"Existing SHA" bears the meaning assigned to it at Recital (D);

"Exit" shall have the meaning assigned to it in Clause 12.1;

"Exit Valuation" shall have the meaning assigned to it in Clause 12.2;

"Extraordinary General Meeting" shall mean meeting of the Bank's Shareholders, which is not an Annual General Meeting;



Handwritten signature or initials.



"FEMA" shall mean the Foreign Exchange Management Act, 1999 and includes, wherever applicable, the rules framed there under, any statutory modification or re-enactment thereof for the time being in force;

"Financial Statement" shall mean the financial statements of the Bank for the relevant Financial Year, which shall include the profit and loss account as at the end of the relevant Financial Year, the balance sheet as at the end of the relevant Financial Year, the cash flow statement for the relevant Financial Year and, the notes to account and disclosures for the relevant Financial Year, as applicable;

"Financial Year" shall mean the accounting year of the Bank commencing each year on April 1 and ending the following March 31st, or such other period as the Bank from time to time designate as its accounting year in accordance with the provisions of the Act;

"Fresh Issue" shall mean issue, by the Bank, of any Securities including preference shares.

"Fresh Issue Acquiring Investor" shall have the meaning set forth to it in Clause 12.5(ii)(c);

"Fresh Issue Acquisition Notice" shall have the meaning set forth to it in Clause 12.5(ii)(c);

"Fresh Issue Acquisition Price" shall have the meaning set forth to it in Clause 12.5(ii)(c);

"Fresh Issue Acquisition Securities" shall have the meaning set forth to it in Clause 12.5(ii)(a);

"Fresh Issue Decision Period" shall have the meaning set forth to it in Clause 12.5(ii)(a);

"Fresh Issue Intimation" shall have the meaning set forth to it in Clause 12.5(ii)(a);

"Fresh Issue Participation Notice" shall have the meaning set forth to it in Clause 12.5(ii)(a);

"Fresh Securities Issue" shall have the meaning set forth to it in Clause 11.1;

"Fully Diluted Basis" shall mean on any relevant date, with respect to the Equity Shares, all outstanding Equity Shares and all Equity Shares issuable in respect of Securities optionally or mandatorily convertible into or exchangeable for Equity Shares, all share appreciation rights, options, warrants and other rights to purchase or subscribe for such Equity Shares or Securities convertible into or exchangeable for such Equity Shares, it being clarified that: (i) any right of lenders of the Bank under executed financing agreements to convert the outstanding indebtedness into Equity Shares upon occurrence of an event of default in accordance with the terms of the respective financing agreements shall not be considered in any such computation; and (ii) options offered for grant with respect to 6,50,496 (Six Lakh Fifty Thousand Four Hundred and Ninety Six) Equity Shares pursuant to the Bank's employee stock option plan of 2018 shall not be considered in any such computation, however, such number of Equity Shares, that are issued and allotted pursuant to the vesting and exercise of such options, shall be considered in any such computation;

"Future Investor" shall have the meaning set forth in Clause 11.1;

"General Meeting" shall mean any duly convened meeting of the Shareholders;

"Governmental Authority" shall mean any federal/central, state or municipal government, regulatory authority, governmental department, agency, instrumentalities, commission, board, tribunal, or court or other law, rule or regulation making entity or Person having or purporting to have jurisdiction on behalf of any nation, or province or



[Handwritten mark]



state or other subdivision thereof or any municipality, district or other subdivision thereof, including any securities regulator in any relevant jurisdiction;

"Government Official" means (i) any official, officer, employee, or representative of, or any Person acting in an official capacity for or on behalf of, any Governmental Authority, (ii) any political party or party official or candidate for political office; or (iii) any company, business, enterprise or other entity owned, in whole or in part, or controlled by any Person described in the foregoing sub-clause (i) or (ii) of this definition;

"Guidelines" shall mean the SFB Guidelines, the Money Changing Guidelines, the Corporate Agent Guidelines and such other rules and regulations issued by RBI or IRDA, as may be relevant for the Bank;

"Immediate Family Member" shall mean the spouse and children of the Core Promoter;

"Interested Investors" shall have the meaning set forth in **Clause 6.12(f)**;

"Investment Amount" shall mean with respect to each Investor, the consideration paid by each Investor to the Bank under the relevant share subscription agreement and any addendum thereof entered into by such Investor with the Bank;

"Investors" shall have the meaning set forth in the Preamble;

"Investor Meetings" shall have the meaning set forth in **Clause 6.12(i)**;

"Investor Nominee Directors" shall mean collectively, the Amicus Nominee Director, OJIF Nominee Director and the Existing Investors Nominee Directors;

"Investor Rights Assignee" shall have the meaning set forth in **Clause 12.6(ii)**;

"Investor Shares" shall mean Securities held by the relevant Investor and any and all such Securities of the Bank held or acquired by the relevant Investor and/or their respective Affiliate(s) from time to time, either through subscription, conversion, Transfer, bonus issues, stock-splits etc.;

"IRDA" shall mean the Insurance Regulatory and Development Authority of India;

"IRR" shall mean the cash on cash internal rate of return of a specified percentage per annum, on the Investment Amount, from the respective date on which the investment was made by the relevant Investor;

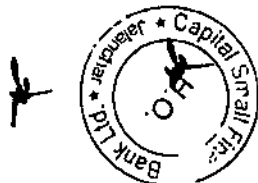
"Issuance Securities" shall have the meaning set forth in **Clause 11.1(iv)**;

"Key Committees" shall mean the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee, Stake Holders Relationship Committee, Securities Committee and any other committees and sub-committees of the Board formed by the Board in relation to equity capital raise by the Bank from time to time, and **"Key Committee"** shall mean any one of them, as the case may;

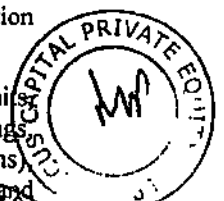
"Key Shareholders" shall have the meaning set forth in the Preamble;

"Last Reported Gross Revenue" means at any time the aggregate of the income recorded at Schedule XIII and Schedule XIV of the Bank's last audited financial statements prepared in accordance with Applicable Law and specifically Section 29 of the Banking Regulation Act, 1949;

"Losses" shall mean all losses, liabilities, obligations, Claims, demands, actions, suits, judgments, awards, fines, Taxes, interest, penalties, fees, settlements and proceedings, fines, costs, expenses incurred (whether or not resulting from any third party claims), deficiencies, damages, out-of-pocket expenses, including reasonable attorneys' and



Handwritten initials or signature.



accountants' fees and disbursements, and deposits and guarantees required to be made in any proceedings and/or judicial awards and all related Taxes, but excluding, in each case, indirect, consequential, special, exemplary or punitive damages or losses;

"Managing Director" shall mean a Director who, by virtue of the Articles or an agreement with the Bank or a resolution passed in the General Meeting, or by the Board, is entrusted with substantial powers of management of the affairs of the Bank and includes a Director occupying the position of managing Director, by whatever name called;

"Material Adverse Effect" shall mean an adverse change to: (i) the validity or enforceability of the Transaction Documents or of any transactions contemplated hereunder or of the rights or remedies of the Investors and the ability of the Bank and the Promoters to perform their respective obligations under the Transaction Documents; (ii) the assets, Business, property, liabilities, financial condition, results, operations or prospects of the Bank or prospects of the Promoters which affects or in any way limits the ability of the Promoters to conduct the Business through the Bank; (iii) the status and validity of any business contracts, Authorizations required for the Bank to carry on the Principal Business and to carry on its activities; in each case as a consequence of: (A) fraud or gross negligence by a Promoter; and, or (B) any matter or event (being an act or an omission) not beyond the reasonable control of a Promoter or of the Bank which does not affect the general business sectors of which the Principal Business is a part and which has a Material Adverse Financial Consequence on the Principal Business;

"Material Adverse Financial Consequence" means a reduction of at least 7.5% (Seven Point Five Percent) of the Last Reported Gross Revenue;

"Material Business Revenue Threshold" means (a) in case of fund based lending activities, 7.5% (Seven Point Five Percent) of the gross interest income earned during the immediately preceding Financial Year; and (b) in case of all non-fund based activities including foreign exchange, insurance reselling or any advisory or fee based activity, 25% (Twenty Five Percent) of the difference between: (i) the total gross income earned during the immediately preceding Financial Year and (ii) the gross interest income earned during the immediately preceding Financial Year;

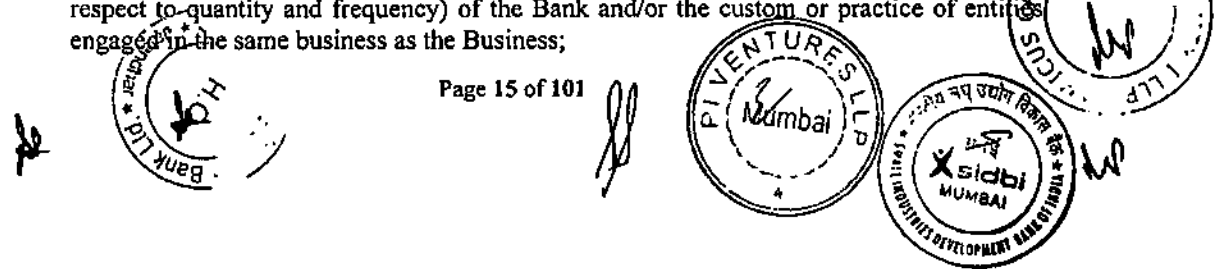
"Memorandum" shall mean the memorandum of association of the Bank amended from time to time;

"MIS" shall mean to include (i) the provisional monthly abridged profit and loss statement and balance sheet of the Bank; (ii) a statement prepared on a monthly basis showing the status of the legal cases filled by or against the Bank, save and except for any recovery proceedings instituted by the Bank in the Ordinary Course of Business where the principal sum outstanding in the relevant proceeding is less than INR 2,50,00,000 (Two Crores Fifty Lakhs); and (iii) details of the Bank's asset quality and non-performing loans and any other information as agreed among Existing Investor A, Amicus, OIIF and the Bank;

"Money Changing Guidelines" shall mean the Master Direction - Money Changing Activities dated January 1, 2016, issued by RBI (including any modification or re-enactment thereof for the time being in force) along with any other instructions issued to authorised persons by RBI under Section 11 of FEMA and such other rules and regulations issued by RBI as may be relevant for the Bank;

"MML" shall have the meaning assigned to it in Clause 13.3(i)(a);

"Ordinary Course of Business" shall mean (i) any business function or practice permitted to be undertaken by the Bank, or (ii) any function or practice undertaken or discarded in the ordinary course of business consistent with past custom or practice (including with respect to quantity and frequency) of the Bank and/or the custom or practice of entities engaged in the same business as the Business;



"Other Investors" shall mean ICICI Prudential Life Insurance Company Limited and HDFC Standard Life Insurance Company Limited;

"Participating Investor" bears the meaning assigned to it at Clause 16.4.2(i)(b)(A);

"Participating Investor Notice" bears the meaning assigned to it at Clause 16.4.2(i)(b)(B);

"Permitted Investments" shall mean investments by a Person in companies/ body corporates (other than the Bank) engaged in the Business to the extent of not more than 2% (Two Percent) of the issued capital/ equity interests of such company/ body corporate, provided that such Person does not have (a) the ability to nominate a director on the board of directors of such company or a partner or member of the governing body of the body corporate (as the case may be); and/or (ii) the ability to exercise Control over such company/ body corporate;

"Person" shall include an individual, an association, a corporation, a partnership, a limited liability partnership, a joint venture, a body corporate, a trust, Hindu undivided family, an unincorporated organization, a joint stock company or other entity or organization, including a government or political subdivision, or an agency or instrumentality thereof and any other legal entity;

"Post QIPO Period" means the period after: (a) the date of the failure of QIPO; or (b) the QIPO Date, whichever is earlier;

"Principal Business" means at any time: (i) the business which the Bank conducts pursuant to and in terms of the SFB License; and (ii) any other business which contributes revenue in excess of the Material Business Revenue Threshold;

"Promoter Group" shall mean, jointly and severally, the Persons listed in Schedule III for so long as each such Person holds Securities;

"Promoter Drag Securities" shall have the meaning set forth in Clause 16.4.2(i)(b)(C);

"Promoters" shall have the meaning set forth in the Preamble;

"Promoter Sale Notice" shall have the meaning set forth in Clause 12.5(iv)(a);

"Promoter Sale Security" shall have the meaning set forth in Clause 12.5(iv)(a);

"Qualified Investor" shall mean a fit and proper Person who is not (i) politically tainted; and (ii) disqualified to acquire a stake in a bank as per any rules, regulations, guidelines, circulars or notifications issued by the RBI;

"QIPO" shall mean a public offering of the shares of the Bank on at least one Recognized Stock Exchange in accordance with Applicable Law upon the consummation of which 100% (One Hundred Percent) of the Equity Shares of the Bank are tradable without restriction (other than any restriction imposed by Applicable Law) on such stock exchange;

"QIPO Date" shall have the meaning set forth in Clause 12.4(f);

"RBI" or "Reserve Bank of India" shall mean the Reserve Bank of India established under RBI Act;

"RBI Act" shall mean the Reserve Bank of India Act, 1934, including any statutory modification or re-enactment thereof;

"Receiving Party" shall have the meaning set forth in Clause 18.1;

"Recognized Stock Exchange" shall refer to BSE Limited or National Stock Exchange of



"Related Party" shall mean any Person who Controls the Bank, is Controlled by the Bank, or is under the common Control of any or all of the above entities and includes Key Shareholders of the Bank and shall also mean to include persons considered as related parties under Section 2(76) of the Act;

"Related Party Transaction" means any transaction, dealing or commercial arrangement of any nature whatsoever, entered into between the Bank and a Related Party;

"Relative" shall have the meaning ascribed to it in the Act;

"Relative Affiliate" in the case of any Subject Person that is a natural Person, shall mean any other Person that is a Relative of that Subject Person;

"Relevant Capacity" shall mean for its, his or her own account or as principal, partner, agent, employee, officer, director, consultant, or shareholder or equity owner of any other Person or in any other manner and whether through the medium of any body corporate, trust, directly or indirectly, controlled by it, him or her;

"Restated Articles" shall mean the restated Articles, in a form agreed upon by Existing Investor A, Amicus and OIJIF, to be adopted by the Bank after incorporating all the relevant provisions of this Agreement;

"SFB License" shall mean the License No. MUM:116 issued by the RBI to the Bank on March 4, 2016 to carry on 'small finance business' read with the office letter DBR.PSBD.No. 11104/16.02.001/2015-16 dated March 4, 2016

"Sale Decision Period" shall have the meaning set forth in Clause 12.5(i)(c);

"Sale Decision Notice" shall have the meaning set forth in Clause 12.5(i)(c);

"Sale Details Notice" shall have the meaning set forth in Clause 12.5(i)(b);

"Sanctions Laws and Regulations" means:

(a) in respect of loans granted or made by the Bank: (i) regulations of the US Treasury Department Office of Foreign Assets Controls, or any enabling legislation or executive order relating to the aforesaid, as collectively interpreted and applied by the US Government at the prevailing point in time; (ii) any U.S. sanctions related to or administered by the Department of State; and (iii) any sanctions measures or embargos imposed by the United Nations Security Council, Her Majesty's Treasury or the European Union; and

(b) the (Indian) Unlawful Activities (Prevention) Amendment Act, 2008 and the Prevention of Money Laundering Act, 2002 read with the applicable rules issued pursuant thereto;

"Sanctions Target" means: (i) any country or territory that was/is the subject of country-wide or territory-wide sanctions, including, but not limited to, as the date of this Agreement, Iran, Cuba, Syria, Sudan and North Korea, under the Sanctions Law and Regulations; (ii) a person or entity that was/is on the list of Specially Designated Nationals and Blocked Persons published by US Treasury Department's Office of Foreign Assets Control or any equivalent list of sanctioned persons issued by the U.S. Department of State; or (iii) a person or entity that is located in or organised under the laws of a country or territory that was/is identified as the subject of country-wide or territory-wide Sanctions Law and Regulations;

"SEBI" Securities and Exchange Board of India;

"Second Exit Date" shall have the meaning set forth in Clause 12.5(v);



[Handwritten signature]



[Handwritten signature]

"Secondary Sale" shall have the meaning set forth in Clause 12.2;

"Securities" shall mean Equity Shares and any preferred shares, bonds, debentures, loans, warrants, options or other similar instruments or securities which are convertible into or exercisable or exchangeable for, or which carry a right to subscribe for or purchase, Equity Shares or any instrument or certificate representing a beneficial ownership interest in the Equity Shares, including global depository receipts or American depository receipts;

"Senior Management Team" shall mean the chief executive officer, the Managing Director, the president, whole-time directors (if any), the chief operating officer, the chief financial officer of the Bank, the chief treasury officer, head of credit of the Bank (if any), including any Person acting in roles or capacities similar to those ordinarily carried out for the foregoing functions even if the designation of such Person is different from the foregoing;

"SFB Guidelines" shall mean the 'Guidelines for Licensing of Small Finance Banks in the Private Sector' dated November 27, 2014, as amended from time to time and 'Operating Guidelines for Small Finance Banks' dated October 6, 2016, as amended from time to time, read with the clarifications to the queries on the Guidelines for Licensing of Small Finance Banks in the Private Sector dated January 1, 2015, issued by the RBI and such other rules and regulations issued by RBI and as may be relevant for a small finance bank;

"Shareholders" shall mean and include the shareholders of the Bank, including but not limited to the Promoter Group, the Key Shareholders, the Investors, the Other Investors and any other Person who has become the holder of Equity Shares;

"Shareholding Percentage" shall have the meaning set forth in Clause 11.1(ii);

"SSA" shall have the meaning set forth in Recital (B);

"SSA 1" shall have the meaning set forth in Recital (C);

"SSA 1 Closing Date" shall mean the 'Closing Date' as defined in the SSA 1;

"SSA 2" shall have the meaning set forth in Recital(F);

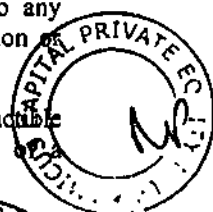
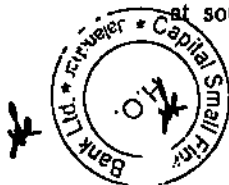
"SSA 2 Closing Date" shall mean the 'Closing Date' as defined in the SSA 2;

"Subsidiary" shall have the meaning ascribed to it in Section 2 (87) of the Act;

"Substantial Interest" shall mean (i) shareholding in excess of 10% (Ten Percent) of the total issued and paid up share capital of any company determined on a Fully Diluted Basis, and/or (ii) ability to nominate a director on the board of directors of any company, and/or (iii) ability to exercise Control over such entity. Provided that a Relative Affiliate of a Promoter being a director or Managing Director or executive director shall not tantamount to Substantial Interest, provided always that the right of each of Amicus and Existing Investor A to respectively nominate a director to the Board will not constitute a Substantial Interest;

"Tax", "Taxes" or "Taxation" means:

- (a) all forms of tax, levy, duty, charge, impost, withholding or other amount whenever or wherever created or imposed in the nature of tax by, or payable to any Governmental Authority or claimed to be owed in any relevant jurisdiction or country;
- (b) any income-tax, advance tax, self-assessment tax, tax deducted and/or deductible at source, withholding tax, or any income-tax payable in the capacity of



representative assessee, together with interest, penalties and shall include any cess and surcharge thereto in respect of the aforementioned taxes computed as per the provisions of the Income Tax Act, 1961; and

- (c) all charges, interest, penalties and fines incidental or relating to any tax falling within (a) and (b) above or which arise as a result of the failure to pay any tax on the due date or to comply with any obligation relating to tax;

"Third Party" shall mean any Person other than the Parties;

"Third Party Sale" shall have the meaning assigned to it in **Clause 12.5**;

"Transaction Assistance" shall include the following steps and actions to be taken by the Core Promoter, the Bank and each of the Promoters:

- (i) providing full co-operation and assistance to any Person to whom the Investor(s) wants to sell their stake under the provisions of this Agreement / Future Investor to conduct a due diligence on the Bank and its Subsidiaries including legal, financial, tax due diligence whether by setting-up of a virtual data room or otherwise;
- (ii) having discussions and meetings with the Core Promoter, whole time Directors, the Senior Management Team, the employees of the Bank and/or its Subsidiaries;
- (iii) providing detailed forward-looking business plans as may be required to evaluate the Business;
- (iv) entering into definitive agreements, as applicable, for consummating such transaction;
- (v) undertaking the requisite corporate actions (including passing the requisite resolutions at the Board and shareholders meetings) for approving such transaction;
- (vi) appointing intermediaries and advisors (including legal and financial advisors) to facilitate the process to the extent reasonably required;
- (vii) Taking the necessary steps for obtaining all necessary Consents and/or Authorizations from third parties and all regulatory approvals, whether governmental approvals or otherwise, as, when and to the extent required pertaining to the Bank and transaction, which is reasonably required,
- (viii) providing intimations to third parties, whether Governmental Authorities or otherwise, as, when and to the extent reasonably required, and
- (ix) (a) in case of an Exit after the Second Exit Date or in an Event of Default, providing necessary representations and warranties and indemnities (to the extent reasonably required) and customary covenants, including those in relation to the business of the Bank, and (b) in all other cases, the Promoters shall do all such acts and deeds as required to facilitate the transfer of the indemnity rights, as provided by the Promoters to the respective Investors in terms of the SSA, the SSA 1, the SSA 2 and the Addendum, as the case may be, from the date of such transfer till the remaining period of indemnification as stipulated in the respective the SSA, the SSA 1, the SSA 2 and the Addendum, to any Third Party to whom such Investor transfers its Equity Shares in terms of this Agreement.

"Transaction Documents" shall mean collectively this Agreement, the SSA, the SSA 1 (including the disclosure letter issued pursuant thereto dated June 12, 2019), the SSA 2 (including the disclosure letter dated August 2, 2019), the Addendum (including the disclosure letter dated November 7, 2019) and any other agreement or written understanding among the Parties as mutually agreed among the Parties;



"Transfer" shall mean to transfer, sell, convey, assign, pledge, hypothecate, create a security interest in or lien on, place in trust (voting or otherwise), transfer by operation of law or in any other way subject to any Encumbrance or dispose of, whether or not voluntarily, and **"Transferring"** and **"Transferred"** have corresponding meanings;

"Transfer Restriction" shall have the meaning set forth in Clause 15.4;

"Trigger A" shall have the meaning set forth in Schedule VI;

"Trigger B" shall have the meaning set forth in Schedule VI; and

"Trigger Events" shall have the meaning set forth in Clause 16.4.2(i)(c)(A).

2. INTERPRETATIONS

2.1 Unless the context of this Agreement otherwise requires:

- (i) words using the singular or plural number also include the plural or singular number, respectively;
- (ii) words of any gender are deemed to include the other gender; and
- (iii) references to the word "include", "includes" or "including" shall be deemed to be followed by the words "without limitation", whether or not they are in fact followed by those words or words of like import;

2.2 the terms "hereof", "herein", "hereby", "hereto" and derivative or similar words refer to this entire Agreement or specified Clauses or Schedules of this Agreement, as the case may be;

2.3 the terms "Clause" and "Schedule" refer to the specified clause and schedule of this Agreement respectively;

2.4 any reference to a document in 'Agreed Form' or 'agreed form' is to a document in a form agreed between the Bank, the Promoters and the Investors, initialled for the purpose of identification, or confirmed by e-mail, by or on behalf of each of them;

2.5 references to any agreement, contract, Applicable Law or regulation are to that agreement, contract, Applicable Law or regulation as amended, modified or supplemented from time to time in accordance with the terms thereof and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision; provided that with respect to any agreement or contract listed on any Schedules hereto, unless all such amendments, modifications or supplements are listed in the appropriate Schedule, references to such agreement or contract are to that agreement or contract without giving effect to any such amendment, waiver or supplement;

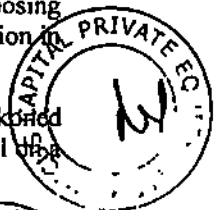
2.6 the Schedules shall constitute an integral part of this Agreement;

2.7 any capitalized terms used in any Schedule but not otherwise defined therein, shall have the meaning as defined in this Agreement;

2.8 the index, bold typeface, headings and titles herein are used for convenience of reference only and shall not affect the construction of this Agreement;

2.9 if any provision in Clause 1 is a substantive provision conferring rights or imposing obligations on any Party, effect shall be given to it as if it were a substantive provision in the body of this Agreement;

2.10 when any number of days is prescribed in this Agreement, the same shall be reckoned exclusively of the first and inclusively of the last day unless the last day does not fall on a



Business Day, in which case the last day shall be the next succeeding day that is a Business Day;

- 2.11 time is of the essence in the performance of the Parties' respective obligations. If any time period specified herein is extended, such extended time shall also be of the essence;
- 2.12 references to writing shall include any modes of reproducing words in a legible and non-transitory form;
- 2.13 the rule known as the *ejusdem generis* rule shall not apply and accordingly general words introduced by the word "other" shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things;
- 2.14 references to INR means Indian Rupees;
- 2.15 general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words;
- 2.16 reference to any document includes an amendment or supplement to, or replacement or novation of, that document, but disregarding any such amendment, supplement, replacement or novation made in breach of this Agreement;
- 2.17 no provision of this Agreement shall be interpreted in favour of, or against, any Party by reason of the extent to which such Party or its counsel participated in the drafting hereof or solely by the reason of the extent to which any such provision is inconsistent with any prior draft hereof; and
- 2.18 All references to 'approval', 'approved', or 'consent' of any Party shall be deemed to mean consent of such Party in writing unless otherwise set out therein.

3. EFFECTIVE DATE

- 3.1 Except for OIIF, this Agreement shall become effective for all Parties on and from the Execution Date. The Parties hereby agree and acknowledge that on and from the Execution Date, this Agreement including each and every clause of this Agreement, shall be in full force and effect for all Parties, except OIIF and supersede all prior agreements entered into between the Parties for the purposes of regulating their inter se rights and obligations as Shareholders of the Bank, including the Existing SHA (as amended by the Accession Deed) (except any surviving provisions as contained in Clause 17.5 thereof).
- 3.2 Notwithstanding anything elsewhere contained in this Agreement, the rights and obligations of OIIF under this Agreement shall become effective and be in full force on and from the date when OIIF becomes a Shareholder of the Bank pursuant to allotment of Equity Shares in terms of the SSA 2.

4. REPRESENTATIONS AND WARRANTIES

- 4.1 The Bank and the Promoters, covenant and represent and warrant to the Investors that each of the statements set out herein below are true, accurate and correct on the date hereof, and acknowledge that, the Investors are entering into this Agreement in reliance upon such representations and warranties:

- (i) Existence and Power: The Bank has the full power and authority and has obtained all applicable Authorizations to enter into, execute and deliver this Agreement and to perform the transactions contemplated herein and each of the other Transaction Documents and that it is duly incorporated and validly exists under the laws of India.

Each Promoter is a natural person, a citizen of India and a person resident in India with full legal capacity and individual power and, has received all Authorizations



Handwritten signature.



to enter into, deliver and perform his obligations under this Agreement and each of the other Transaction Documents.

- (ii) **Execution and Delivery of Agreement:** The execution, delivery and performance of this Agreement and each of the other Transaction Documents by the Bank and the Promoters and the consummation of the transactions contemplated hereby does not and will not violate (a) any provision of the Bank's Charter Documents; (b) any Applicable Law or Authorization applicable to the Bank or the Promoters; (c) any contractual restriction binding on or affecting the Bank or the Promoters or any of his assets; and (d) any order, judgment or decree against, or binding upon, the Bank or the Promoters, as the case may be, or upon its respective Securities, properties or businesses.
- (iii) **Authorized Signatory:** The signatory on behalf of the Bank and the Promoters is their representative and has the requisite authority to negotiate, finalise and execute this Agreement for and on behalf of the Bank and the Promoters and to bind the Bank and the Promoters to the terms and conditions hereof.
- (iv) **Binding Obligation:** The execution and delivery hereof by the Bank and the Promoters of this Agreement and each of the other Transaction Documents constitutes the legal, valid and binding obligation of the Bank and the Promoters, enforceable against them in accordance with its terms.
- (v) **Shareholder Agreements:** There is no other shareholders agreement or arrangement entered into by the Bank and/or the Promoters with any Shareholder in relation to the Securities of the Bank other than the Existing SHA as amended by the Accession Deed.
- (vi) **No Subsidiary:** The Bank does not have any Subsidiary.
- (vii) **No Legal Proceedings:** There are no legal, quasi-legal, administrative, arbitration, mediation, conciliation or other proceedings, claims, actions, governmental investigations, orders, judgments or decrees of any nature made, involving the existing, or pending which may prejudicially affect the due performance or enforceability of this Agreement or any obligation, act, omission or transactions contemplated hereunder.
- (viii) The Bank has complied with all Applicable Laws, including, without limitation, in relation to the conduct of its Business, which may prejudicially affect the due performance or enforceability of this Agreement or any obligation, act, omission or transactions contemplated hereunder.
- (ix) The Bank is in compliance with the applicable requirements of:
 - (a) the Anti-Money Laundering Laws;
 - (b) Sanctions Laws and Regulations; and
 - (c) the Anti-Corruption Laws
- (x) The Bank has not entered into an agreement or relationship with, or made available any funds to, any Sanctions Target.

4.2 Each Key Shareholders represent and warrant to the Investors that each of the statements set out herein below are true, accurate and correct as of the date hereof, and acknowledge that, the Investors are entering into this Agreement in reliance upon such representations and warranties:

- (i) **Existence and Power:** Each Key Shareholder has the full power and authority and has obtained all applicable Authorizations to enter into, execute and deliver this

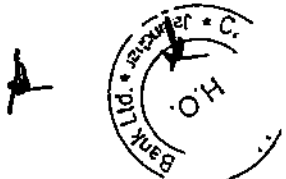


Agreement and to perform the transactions contemplated herein and each of the other Transaction Documents and that it is duly incorporated and is validly existing under the laws of India or is a natural person and a citizen of India, as the case may be.

- (ii) **Execution and Delivery of Agreement:** The execution, delivery and performance of this Agreement and each of the other Transaction Documents by the Key Shareholders and the consummation of the transactions contemplated hereby does not and will not violate (a) any provision of the Key Shareholders' charter documents (if applicable); (b) any Applicable Law or Authorization applicable to the Key Shareholder; (c) any contractual restriction binding on or affecting the Key Shareholder or any of its assets; and (d) any order, judgment or decree against, or binding upon, the Key Shareholder or upon its respective Securities, properties or businesses.
- (iii) **Authorized Signatory:** The signatory on behalf of the Key Shareholders is their representative and has the requisite authority to negotiate, finalise and execute this Agreement for and on behalf of the Key Shareholders and to bind the Key Shareholders to the terms and conditions hereof.
- (iv) **Binding Obligation:** The execution and delivery hereof by the Key Shareholder of this Agreement and each of the other Transaction Documents constitutes the legal, valid and binding obligation of the Key Shareholder, enforceable against them in accordance with its terms.
- (v) **No Legal Proceedings:** There are no legal, quasi-legal, administrative, arbitration, mediation, conciliation or other proceedings, claims, actions, governmental investigations, orders, judgments or decrees of any nature made, involving the Key Shareholder existing, or pending which may prejudicially affect the due performance or enforceability of this Agreement or any obligation, act, omission or transactions contemplated hereunder.

4.3 Each Investor, on a several basis solely with respect to itself, represents and warrants, to the Bank, the Promoters and the Key Shareholders that each of the statements set out herein below with respect to each such Investor are true, accurate and correct as of the date hereof, and acknowledge that, the Bank, the Promoters and the Key Shareholders are entering into this Agreement in reliance upon such representations and warranties:

- (i) **Existence and Power:** Each Investor is a legal entity duly organized and validly existing under the laws of India and has the full power and authority and has obtained all applicable Authorizations to enter into, deliver and perform its obligations under this Agreement and each of the other Transaction Documents.
- (ii) **Execution and Delivery of Agreement:** The execution, delivery and performance of this Agreement and each of the other Transaction Documents by each Investor and the consummation of the transactions contemplated hereby does not and will not violate (a) any provision of the charter documents of the Investors; (b) any Applicable Law or Authorization applicable to the Investors; (c) any contractual restriction binding on or affecting the Investors or any of its assets; and (d) any order, judgment or decree against, or binding upon, the Investors, or upon its respective Securities, properties or businesses.
- (iii) **Binding Obligation:** The execution and delivery by the Investors of this Agreement and each of the other Transaction Documents constitutes the legal, valid and binding obligation of the Investors, enforceable against it in accordance with its terms.



[Handwritten signature]



- (iv) **Authorized Signatory:** The signatory on behalf of each Investor is its representative and has the requisite authority to negotiate, finalise and execute this Agreement for and on behalf of the respective Investor and to bind each Investor to the terms and conditions hereof.
- (v) **No Legal Proceedings:** There are no legal, quasi-legal, administrative, arbitration, mediation, conciliation or other proceedings, claims, actions, governmental investigations, orders, judgments or decrees of any nature made, involving the Investors, existing, or pending which may prejudicially affect the due performance or enforceability of this Agreement or any obligation, act, omission or transactions contemplated hereunder.

5. BOARD OF DIRECTORS

5.1 Subject to provisions of this Agreement, the Articles and the Applicable Law, the Board shall be responsible for the management, supervision, direction and control of the Bank.

5.2 (i) Until otherwise determined in the General Meeting, and subject to Applicable Law, the Board shall constitute of such number of directors as specified in the Articles.

(ii) Subject to the approval of the RBI, the Board shall consist of Directors in the following manner:

(a) Majority of the Board members shall comprise independent Directors each of whom shall be appointed by the Bank. Such independent Directors shall include Persons with professional and other experience as required under the 1949 Act. The Bank shall appoint such number of independent Directors and woman Director as may be required under the Act, the 1949 Act or any other Applicable Law for the time being in force.

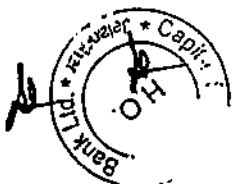
(b) Subject to the provisions of Applicable Law, each Existing Investor shall be entitled to appoint a nominee director to the Board ("Existing Investors Nominee Directors"), for so long as the shareholding of that Existing Investor and its Affiliates is 2% (Two Percent) or more of the equity share capital of the Bank on a Fully Diluted Basis.

(c) Subject to the provisions of Applicable Law, and from the SSA 1 Closing Date, Amicus shall be entitled to appoint a nominee director to the Board ("Amicus Nominee Director"), for so long as the aggregate shareholding of Amicus and its Affiliates is 2% (Two Percent) or more of the equity share capital of the Bank on a Fully Diluted Basis.

(d) Subject to the provisions of Applicable Law, and from the SSA 2 Closing Date, OIIF shall be entitled to appoint a nominee director to the Board ("OIIF Nominee Director"), for so long as the aggregate shareholding of OIIF and its Affiliates is 2% (Two Percent) or more of the equity share capital of the Bank on a Fully Diluted Basis.

5.3 It is clarified that the Investor Nominee Directors must be qualified in terms of Section 10A of the 1949 Act and must satisfy the fit and proper criteria for appointment as a Director of the Bank under Applicable Law. Further, a Director shall not be required to hold any shares to qualify him to act as a Director of the Bank.

5.4 Subject to the provisions of this Clause 5, the Parties shall each have a right to fill any casual vacancy caused in the office of the Directors appointed by them, by reason of his/her resignation, death, removal or otherwise. All appointments and/or nomination made by respective Party shall be in writing and shall take effect within reasonable time from its receipt at the office of the Bank or on the date of appointment specified in the notice, whichever is later and as per Applicable Law.

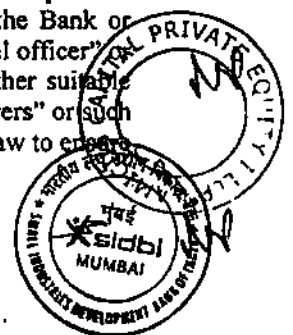
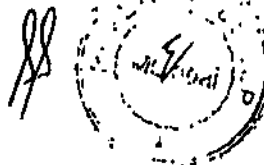
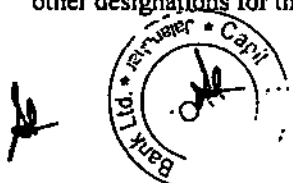


Handwritten signature



Handwritten initials 'Amicus'

- 5.5 The Bank shall reimburse the Directors for all reasonable cost of travel in India and other out of pocket expenses incurred in connection with attending Board meetings and Key Committee meetings in India. Any sitting fees or expenses that is payable to the Investor Nominee Directors shall be paid by the Bank to the relevant Investor who has appointed the respective Investor Nominee Director.
- 5.6 The Board may constitute such committees of Directors as may be required under the Applicable Law, from time to time including constitution of the Key Committees of the Board which shall look into such matters as delegated by the Board to the relevant Key Committees in compliance with the Applicable Law. The Parties hereby agree that the Investors shall have the right to make the following nominations to the Key Committees by way of a written intimation to the Bank (and the Bank shall, subject to Applicable Law, within 30 days of receiving such nomination take necessary steps to appoint the below nominees to the relevant Key Committee):
- (i) The OIIF Nominee Director shall be appointed as a member of the Stakeholder Relationship Committee and the Securities Committee of the Bank;
 - (ii) The Amicus Nominee Director shall be appointed as a member of the Stakeholder Relationship Committee and the Securities Committee of the Bank;
 - (iii) The Existing Investor A Nominee Director shall be appointed as a member of the Stakeholder Relationship Committee and the Securities Committee of the Bank; and
 - (iv) The Existing Investor B Nominee Director shall be appointed as a member of the Stakeholder Relationship Committee and the Securities Committee of the Bank.
- 5.7 The meetings of each Key Committee of the Board shall be convened at such frequency as the members of that Key Committee may decide from time to time, in compliance with the Applicable Laws. The minutes of meetings of the relevant Key Committees of the Board along with actions taken pursuant thereto shall be placed before the Board for approval at the immediately succeeding meeting of the Board.
- 5.8 The notice, voting and quorum requirements for meetings of the Key Committees of the Board shall be as decided by the Board from time to time, in accordance with the Applicable Law.
- 5.9 The Bank shall, and the Promoters shall ensure that the Bank shall, at all times maintain directors' and officers' liability insurance policies. It is agreed that in the event of any change or amendment to the existing directors' and officers' liability insurance policy, the approval of all the Investor Nominee Directors shall be obtained, which approval shall not be unreasonably withheld.
- 5.10 The minutes of each meeting of the Asset Liability Management Committee shall be circulated at the immediately succeeding meeting of the Risk Management Committee, for the information of the members of the Risk Management Committee.
- 5.11 It is agreed by the Parties that each of the Investor Nominee Directors shall be non-executive Directors on the Board of the Bank and shall not be involved in the day-to-day management or conduct of the Bank. Accordingly, no such Investor Nominee Director shall be named in any correspondence, applications, licenses, approvals, compliance reports or otherwise as the person in charge of or responsible for the operations of the Bank or compliance by the Bank of any laws or licenses or as an "occupier", "principal officer" or an "officer in default". The Bank shall procure that the Promoter or any other suitable persons shall be nominated as "officer in default" and "occupiers" or "employers" or such other designations for the purpose of statutory compliance under applicable Law to ensure



that none of the Investor Nominee Directors incur any liability in this regard.

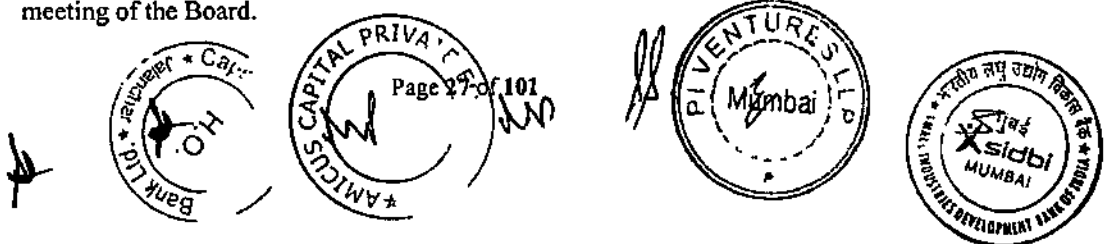
- 5.12 To the fullest extent permissible under the Applicable Law, the Bank and the Promoters hereby, agree to indemnify and hold harmless, each former, current and future Investor Nominee Director on the Board, promptly upon demand at any time and from time to time, from and against, any and all Losses to which such Director become subject including Losses pursuant to any Claim such Director or to which such a Director is made party, in so far as such Losses arise out of, in any way relate to, or result from such Director having held or holding a position on the Board or committees (including Key Committees) of the Board, but excluding any claim made against such a Director by the relevant Investor who has appointed such a Director.

6. MEETINGS OF THE BOARD

- 6.1 The Directors may meet together at a Board for conducting business from time to time, and at least 4 (Four) such meetings shall be held in every year with a time gap of not more than 120 (One Hundred and Twenty) days, unless a higher frequency is prescribed under Applicable Law, in which case, the Board shall meet at such prescribed frequency. The Directors may adjourn and otherwise regulate their meetings and proceedings as they may think fit. All documents in relation to meetings of the Board or any committee thereof, including agenda papers and minutes of each meeting, shall be in English.
- 6.2 The Chairman may at any time, and the secretary or such other officer of the Bank as authorised, shall, upon the request of any Director and the concurrence of the Chairman, convene a meeting of the Board.
- 6.3 Subject to Applicable Law, at least 7 (Seven) days written notice of every meeting of the Board shall be given to every Director at his usual address in India and, in the case of any Director residing abroad, such notice shall also be given by email and where available, by facsimile to such Director's email address and facsimile number, as applicable abroad. A notice of the Board meeting may also be served by other electronic means. Any meeting of the Board may be convened with a lesser than 7 (Seven) days written notice, subject to compliance with the requirements prescribed under Applicable Law.
- 6.4 Telephonic and Video Participation at Board Meetings
- (i) Subject to compliance with Applicable Law, the Directors may participate and vote in meetings of the Board or a Key Committee by video conference or other audio-visual electronic communication facility, in accordance with the provisions of the Act and other Applicable Law. The quorum and other requirements applicable to Board meetings shall also apply to such meetings undertaken by audio - video participation.
- (ii) The Bank shall provide participation facility for the Directors at meetings of the Board and the Key Committees through video conference or any other audio-visual facility at the venue of the meetings.
- 6.5 The notice of a meeting of the Board or a Key Committee, as the case may be, shall, where addressed to a Director, be accompanied by an agenda setting out in reasonable detail the items of business proposed to be transacted, together with necessary supporting documents pertaining thereto, as well as specify the date, time and agenda for such meeting. The notice of any meeting of the Board or the Key Committees shall also provide confirmation to the Directors regarding availability of participation through video conference or any other audio-visual facility at the venue of the meeting and provide necessary information to enable the Directors to effectively utilize such facility.
- 6.6 The quorum for a meeting of the Board, including a meeting convened at shorter notice, shall be in accordance with Applicable Laws.



- 6.7 Subject to Applicable Laws, a decision shall be validly made and/or a resolution validly passed at a meeting of the Board only if passed at a validly constituted meeting of the Board and by a simple majority of the Directors present at voting at the relevant meeting of the Board. Each Director shall be entitled to cast 1 (One) vote. It is clarified that the Chairman shall not have a casting vote.
- 6.8 If within 30 (Thirty) minutes of the time appointed for the Board meeting, the requisite quorum is not present, the Board meeting shall stand adjourned and reconvened not later than 7 (Seven) days from the date of the original Board meeting, as the Chairman may determine, at the same place and time. If at the adjourned Board meeting also the requisite quorum is not present within 30 (Thirty) minutes of the stipulated time of the meeting, then the Directors present shall be deemed to constitute a valid quorum for that Board meeting. Provided that:
- (i) written notice of the adjournment was given to the Investor Nominee Directors at least 5 (Five) Business Days before the date of the adjourned Board meeting; and
 - (ii) items which were not specified in the agenda for the original Board meeting shall not be considered at such adjourned Board meeting.
- 6.9 Without prejudice to the provisions of Clause 6.5 and subject to Applicable Laws, if any matter is not specified or identified in reasonable detail in the agenda including any agenda or papers sent with a resolution by written circulation, the Board or committee (including the Key Committees in which the Investor Nominee Director(s) are members) shall not decide on such matter (at the original meeting or any adjourned meeting or by written circulation), unless the majority of the Directors present at the relevant meeting of the Board or a Key Committee, which majority must include at least 50% (Fifty Percent) of the total number of Investor Nominee Director(s), subject to a maximum of 2 (Two) Investor Nominee Directors, agree to discuss and take a decision on such matter. Provided, if all the Investor Nominee Director(s) are not attending such a meeting, such number of Investor Nominee Director(s) representing at least, the lower of (a) 50% (Fifty Percent) of the total number of Investor Nominee Director(s); and (b) 2 (Two) Investor Nominee Directors (including the Investor Nominee Director attending the meeting and agreed to discuss and take a decision on such matter), shall have the right, to waive, in writing, the consent rights set out in this Clause 6.9.
- 6.10 Subject to Applicable Law, any matter that may be decided by the Board or a committee (including the Key Committees) may be decided by way of written circulation. No resolution shall be deemed to have been passed by the Board or by a committee (including the Key Committees) thereof by circulation, unless (i) the resolution has been circulated in draft together with the necessary papers, if any, including through such electronic means to all the Directors or to all the members of the committee at their usual address in India, and in the case of any Director residing abroad, such papers shall also be transmitted to such Director's email address and where available, fax number abroad, and (ii) the resolution has been approved by majority of Directors or members of the committee who are entitled to vote on the resolution, subject to Applicable Law.
- 6.11 The Bank shall cause the company secretary to prepare minutes of the proceedings, of every meeting of the Board and of every committee of the Board (including the Key Committees), to be recorded in accordance with the Applicable Law, including the relevant provisions of Section 118 of the Act, within 30 (Thirty) days of the conclusion of every such meeting and the minutes shall contain the matters specified in the said section. The Directors may comment on the minutes of the meeting within 10 (Ten) days of receipt of the minutes. If no comments are made within the time limit set out in this Clause, the minutes shall be deemed to be accepted. The minutes shall be signed at the commencement of the next meeting of the Board.

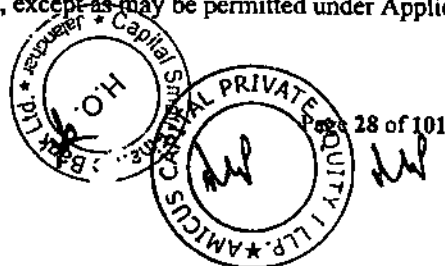


6.12 Meetings of Investors

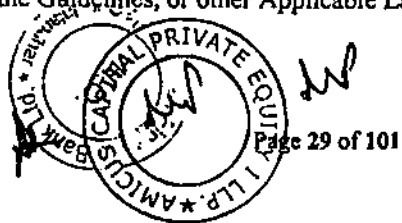
- (i) The Bank shall, and the Core Promoter shall ensure that the Bank shall have regularly structured interactions among Existing Investor A, Existing Investor B, Amicus, OIJIF and the representatives of the Senior Management Team or such other personnel as agreed among the Parties, at least 6 (Six) times in a Financial Year, subject to a minimum of 1 (One) meeting during a calendar quarter (the "Investor Meetings") to discuss financial performance and any other such matter as may be mutually agreed, including changes in Applicable Law. The Core Promoter will attend at least 2 (Two) Investor Meetings every Financial Year. It is clarified for avoidance of doubt that participation of Existing Investor A, Existing Investor B, Amicus and OIJIF in such Investor Meetings shall be voluntary and if either of them are interested in participating in such interactions, the interested Party shall inform the Bank of its interest in participating in the next interaction session at least 4 (Four) days in advance ("Interested Investors"). It is also agreed that in addition to the 6 (Six) Investor Meetings, the Existing Investor A, Existing Investor B, Amicus or OIJIF shall have the right to call for any additional Investor Meeting in a Financial Year by giving a written notice of at least 15 (Fifteen) Business Days in advance to the Bank and other Investors.
- (ii) The Bank shall, and the Core Promoter shall ensure that the Bank shall, in consultation with the Interested Investors agree on the agenda and the list of the proposed attendees for each Investor Meeting at least 4 (Four) Business Days prior to date of such Investor Meeting.
- (iii) The Bank shall cause an officer of the Bank to prepare minutes of the proceedings of each Investor Meeting. The Bank shall send the minutes of the Investor Meetings to Existing Investor A, Existing Investor B, Amicus, OIJIF and the Core Promoter within 10 (Ten) days from the date of such Investor Meeting. The Interested Investors and/ or the Core Promoter may comment on such minutes within 10 (Ten) days of receipt of the minutes and the minutes of such meeting shall be finalised only upon receipt of comments / confirmation by the Interested Investors. If no comments are made within the time limit set out in this Clause, the minutes shall be deemed to be finalised. The Bank shall and the Core Promoter shall ensure that the Bank shall, maintain records of all the Investor Meetings.
- (iv) If agreed to by the Bank, the Core Promoter and the Interested Investors, the Investor Meetings may be held through video-conferencing or other audio-visual electronic communication facility.

7. GENERAL MEETINGS

- 7.1 The General Meetings of the Bank shall be called at least such times as may be required by the Act. Subject to the provisions of the Act, at least 21 (Twenty One) days written notice of every General Meeting shall be given to every Shareholder, at their usual address whether in India or abroad, and to the Auditors of the Bank, provided always that a meeting may be convened by a shorter notice than 21 (Twenty One) days subject to compliance with the requirements prescribed under Applicable Law.
- 7.2 Every notice of a General Meeting shall specify the place, date and hour of the meeting, and shall contain a statement of the business to be transacted thereof, and where any such business consists of special business, as defined under the Act, there shall be annexed to the notice an explanatory statement in accordance with the Act. No business shall be transacted at any General Meeting duly convened and held other than that specified in the notice, except as may be permitted under Applicable Law.



- 7.3 The Board shall provide the Bank's previous Financial Year's audited Financial Statements to all Shareholders at least 21 (Twenty One) Business Days before the General Meeting which is held to approve and adopt such audited Financial Statements.
- 7.4 The quorum for the General Meeting shall be as provided in Section 103 of the Companies Act, 2013.
- 7.5 Subject to Applicable Law, the Chairman shall be appointed only with the prior approval of the RBI and shall be entitled to take the chair at every General Meeting. If there be no such Chairman or if at any meeting he is not present within 15 (Fifteen) minutes after the time stipulated for holding such meeting, or is unwilling to act, the Directors present may choose one of the Directors present to be chairman of such meeting, and in default of their doing so, the Shareholders present shall choose a Director as chairman of such meeting and if no Director is present, or if all the Directors present decline to take the chair, the Shareholders present shall choose one of themselves to be chairman of such meeting. If a poll is demanded on the election of the chairman of such meeting, it shall be taken forthwith in accordance with the provisions of this Agreement and the chairman elected on a show of hands shall exercise all the powers of the chairman required for the purpose of conducting the poll, under the said provisions. If some other Person is elected as the chairman of such meeting as a result of the poll, such other Person shall be the chairman for the rest of the meeting.
- 7.6 If within 30 (Thirty) minutes of the time appointed for holding a General Meeting, the quorum as stipulated in Clause 7.4 is not present, the meeting shall be adjourned, and reconvened at the same time and place not later than 7 (Seven) Business Days thereafter, as the Chairman may determine. If at such rescheduled meeting, the quorum as stipulated in Clause 7.4 is not present within 30 (Thirty) minutes of the time appointed for the meeting, then the Shareholders present shall constitute a valid quorum. Provided however that:
- (i) written notice of the adjournment was given to the Investors at least 5 (Five) Business Days before the date of the adjourned Shareholders meeting; and
 - (ii) items which were not specified in the agenda for the original General Meeting shall not be considered at such adjourned General Meeting.
- 7.7 The Parties agree that in the event a resolution is passed contrary to the provisions of this Clause 7, then the Parties shall ensure that such resolution is not given effect to, and all such resolutions shall be considered to be null and void.
- 7.8 The Promoters, the Investors, and the Key Shareholders agree and undertake to exercise all of their voting rights in relation to the Securities held by them in such manner, so as to give full effect to the terms and conditions of this Agreement
- 7.9 Unless required by Applicable Law to the contrary, or as set out in Clause 7.5, every question or matter submitted to a General Meeting shall be decided in the manner prescribed under Applicable Law, including by way of poll if such poll is validly demanded, and the Shareholders shall have, subject to Clause 7.10 below, a right to vote to the extent of their shareholding in the Bank in proportion to the actual number of Equity Shares held by such Shareholder.
- 7.10 In case a Shareholder's shareholding in the Bank exceeds 15% (Fifteen Percent), the voting rights of such Shareholder shall be restricted to 15% (Fifteen Percent) of the paid-up share capital, or such other limit, as may be permitted by the RBI from time to time under the 1949 Act, the Guidelines, or other Applicable Laws.



- 7.11 Subject to the provisions of the Act and the 1949 Act, votes in a General Meeting may be given either personally, or by an attorney, or by proxy or, in the case of a body corporate, by a representative duly authorised under Section 113 of the Act.
- 7.12 The Bank shall cause the company secretary of the Bank to prepare minutes of the proceedings of the General Meeting to be recorded in accordance with the Applicable Laws and within the time period permitted under the relevant secretarial standards under the Applicable Law (as amended from time to time) and shall ensure that a copy of the minutes of each General Meeting is sent to each of the Investors.

8. RELATED PARTY TRANSACTIONS

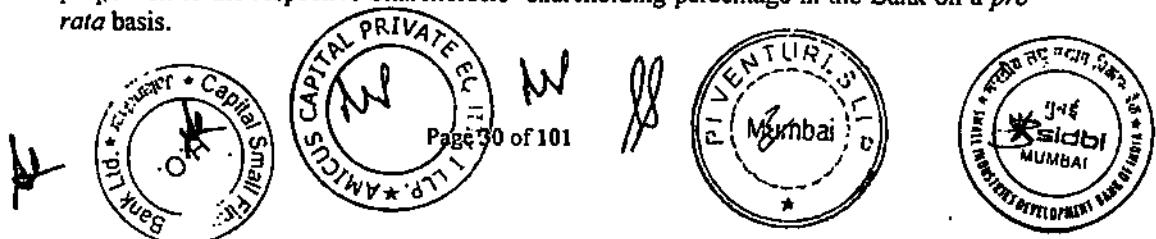
- 8.1 The Bank and the Promoters agree and acknowledge that all Related Party Transactions entered into by the Bank shall at all times be beneficial to the Bank and be undertaken on an arms-length basis and in the Ordinary Course of Business.
- 8.2 The Bank and the Promoters agree and acknowledge that the Bank shall not enter into any new transaction, agreement, dealing or commercial arrangement with any Related Party after the date of this Agreement unless such transaction or agreement is more beneficial to the Bank (as compared to such Related Party) and is on an arms' length basis.
- 8.3 The Bank shall not enter into any new transaction, agreement, dealing or commercial arrangement (or a series of transaction, agreement, dealing or commercial arrangement) with any Related Party wherein the financial consideration or value of contract is more than INR 1,00,00,000 (Rupees One Crore) per annum, without the prior written consent of the Investors.
- 8.4 The Investors shall have the right to review any Related Party Transaction described in Clause 8.3 above, on an on-going basis and the Bank and Promoters agree and undertake to provide all such information and data as the Investors may require from time to time, in this regard.

9. ANNUAL BUDGETS

- 9.1 The Bank shall, as soon as practicable, but no later than within the first month of each Financial Year, prepare and provide to the Investors: the projected balance sheet including proposed operating and capital budgets for that Financial Year, along with relevant detailed assumptions, enclosing a 3 (Three) year rolling business plan (the "Annual Budget") approved by the Board.
- 9.2 A Director may at any time, by a notice to the other Directors, propose amendment to the Annual Budget, and such proposal will be considered at the forthcoming meeting of the Board.
- 9.3 The Bank shall, and the Core Promoter shall ensure that the Bank shall, conduct the Business in accordance with the Annual Budget (including revisions) approved by the Board.

10. DIVIDEND AND DISTRIBUTION POLICY

- 10.1 Subject to Applicable Law and the Act, the Board shall determine the amounts which the Bank will distribute to the Shareholders by way of dividend, or other distribution in respect of a Financial Year, in accordance with the dividend distribution policy formulated by the Board. Any such dividend or other distribution shall be paid: (i) to the Persons who are Shareholders on the record date, which date shall be decided by the Board; and (ii) in proportion to the respective Shareholders' shareholding percentage in the Bank on a *pro rata* basis.




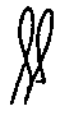




11. PRE-EMPTION AND ANTI-DILUTION RIGHTS

11.1 The Bank may raise funds by way of a fresh issue of Securities (the "Fresh Securities Issue") to any Person (the "Future Investor") or take any other action which may result in a decrease of the percentage of the paid-up share capital of the Bank held by the Investors in the Bank on a Fully Diluted Basis (the "Dilution Event"), subject, at all times, to the following provisions:

- (i) in case of issuance of:
 - a. Equity Shares, such Dilution Event not taking place at a subscription price lower than INR 252 (Rupees Two Hundred Fifty Two only) per Equity Share *provided* that in the event the subscription price for any Dilution Event is proposed to be lower than INR 252 (Rupees Two Hundred Fifty Two only) per Equity Share, then the Bank shall take the prior written consent of each Investor;
 - b. any Securities other than the Equity Shares, wherein the exact conversion price vis-à-vis the underlying Equity Shares is not known at the time of allotment of the Securities and/or in case the conversion terms with respect to such Securities do not specify the exact number of Equity Shares that would be issued and allotted pursuant to such Securities, such Securities shall not be issued by the Bank without the prior written consent of each Investor; and
 - c. any Securities other than the Equity Shares, wherein the conversion price vis-à-vis the underlying Equity Shares is known at the time of allotment of the Securities, and if such conversion price is proposed to be/is lower than INR 252 (Rupees Two Hundred Fifty Two only) per Equity Share, such Securities shall not be issued by the Bank without the prior written consent of each Investor.
- (ii) notwithstanding anything contained in **Clause 11.1(i)**, each of the Investors shall, at all times, have the right to maintain the percentage of the paid-up share capital of the Bank held by such Investor in the Bank (the "Shareholding Percentage") that it held prior to a Dilution Event, in accordance with terms set out herein;
- (iii) each of the Investors may exercise its rights set out in **Clause 11.1(ii)** by itself or through an Affiliate, by subscribing to Securities in the Dilution Event or through a preferential allotment of Securities;
- (iv) the Bank shall deliver a written notice to the Investors at least 30 (Thirty) Business Days prior to the Dilution Event being effected (the "Anti-Dilution Issuance Notice") setting out a) the number, nature, price and the conversion price/terms (if any) of the Securities that it proposes to issue (the "Issuance Securities"); b) the method of undertaking the Dilution Event and issuance of Issuance Securities; and c) assuming there is a Dilution Event other than by way of a Fresh Securities Issue, the number and nature of Securities to be issued to the Investors in order to maintain the Shareholding Percentage (the "Anti-Dilution Securities"). The Investors shall have the right to participate in the Dilution Event through 1 (one) or more of their Affiliates or by such nominee of the Investor who is not an Affiliate as may be decided by the Investor, provided that such Person shall (A) not be in a business competing with the Principal Business, directly; and (B) be of repute;
- (v) the Investors shall confirm to the Bank (in writing) of its intention to subscribe to, all or any of, the Anti-Dilution Securities or the Issuance Securities, as the case may be within 21 (Twenty One) Business Days from the date of receipt of the Anti-Dilution Issuance Notice. In the event the Investors do not respond to the Anti-

Page 21 of 101

Dilution Issuance Notice within the stipulated period, the Investors shall be deemed to have waived their right to subscribe to the Anti-Dilution Securities or the Issuance Securities, as the case may be;

- (vi) Within 30 (Thirty) days from the Dilution Event or such extended period due to any approval pending from the Governmental Authority, the Bank shall undertake, on a best effort basis, simultaneously with the occurrence of the Dilution Event and on the same terms including the subscription price offered to the other subscribers, the issue of the Anti-Dilution Securities or the Issuance Securities, as the case may be, to the Investors or their respective Affiliates, and the transfer of the subscription amount by the Investors or their respective Affiliates, in respect of the issue of the Anti-Dilution Securities or the Issuance Securities; and
 - (vii) any Fresh Securities Issue pursuant to any employee stock option plan approved by the Board shall not be a Dilution Event, provided that such exemption shall not apply to the award of stock options to the Promoters, the Key Shareholders or the Core Promoter or to any of their respective relatives, in which case such award to the foregoing Persons shall be made in accordance with the terms of this Agreement (specifically Clause 11.1).
- 11.2 The Bank, the Promoters and the Key Shareholders agree and acknowledge, that there exists no commitment by the Investors to further capitalise the Bank, or to provide finance, or any other form of support to the Bank, including in the form of guarantee or any security.
- 11.3 The Bank and the Core Promoter agree to cooperate in all things necessary, or appropriate under Applicable Law, to consummate the transactions contemplated hereby, including without limitation, the performance of such further acts, or the execution and delivery of any additional instruments or documents, as may be reasonably requested, or required in order to carry out the execution of the necessary documents.
- 11.4 Notwithstanding anything elsewhere contained in this Agreement, in no event whatsoever shall any Issuance Securities be issued by the Bank to any Shareholder / Third Party investor in terms of Clause 11, on terms and conditions that are more favourable than those set out in this Agreement. However, in the event any Shareholder / Third Party investor receives certain rights or entitlements that are more beneficial than those granted to the Investors under this Agreement, the Bank and the Core Promoter shall have the obligation to confer those rights or entitlements on the Investors. The Bank shall and the Core Promoter shall procure that the Bank does all such acts, deeds and things, including execute any such instrument, document, amend Charter Documents or take any other action as may be required, to extend such favourable rights or entitlements granted to any Shareholder / Third Party investor, to the Investors.
- 11.5 Nothing in Clause 11.1 shall apply to the Securities (or options to purchase Equity Shares): (A) Issued or issuable to officers, Directors and employees of the Bank pursuant to any employee stock option scheme as per the following: (i) Equity Shares not exceeding 6,50,496 (Six Lakh Fifty Thousand Four Hundred and Ninety Six) are allotted pursuant to Bank's employee stock option plan 2018; (ii) Equity Shares allotted pursuant to an employee stock option scheme approved by the Board, at a subscription price not lower than INR 252 (Rupees Two Hundred Fifty Two only) per Equity Share, provided that the Equity Shares allotted pursuant to such employee stock option scheme does not exceed 5% of the share capital of the Bank on a Fully Diluted Basis; or (iii) Equity Shares allotted pursuant to an employee stock option scheme at a subscription price lower than INR 252 (Rupees Two Hundred Fifty Two only) per Equity Share, provided that such employee stock option plan is unanimously approved by the Board of Directors of the Bank, provided that, at the relevant time, if an Investor has not appointed a nominee director to the Board, then a prior written approval shall be taken from such Investor for such employee stock option plan; and (B) issued pursuant to the QIPO.

Page 32 of 101

11.6 Notwithstanding anything contained in this Clause 11, if any Affiliate of the Investors holds any Securities of the Bank at the relevant time, such Affiliate shall also have (and the Bank shall offer to such Affiliate) the rights accorded to the Investors under this Clause 11 provided always that the Investors:

- (i) agree to comply with all their obligations under this Agreement till the time it and/or any of such respective Investor's Affiliate holds any Securities of the Bank; and
- (ii) shall procure the execution of the Deed of Adherence by such Affiliate(s) in the format set out at Schedule IV of this Agreement.

11.7 Where any Investor requires prior legal, governmental, regulatory or Shareholder approval for subscribing to any Securities pursuant to this Clause 11, then notwithstanding any other provision of this Agreement, that Investor shall only be obliged to subscribe to such Securities once such approval is obtained, and the Bank, the Promoters and the Key Shareholders shall reasonably cooperate to obtain any such required approvals. The period within which the subscription by that Investor of the Issuance Securities or Anti-Dilution Securities, as the case may be, has to be completed shall be extended by such further period as is necessary for the purpose of obtaining the above approvals, provided always that such period shall end on the date being 120 (One Hundred and Twenty) days after the date of Anti-Dilution Issuance Notice. Provided that such time period may be extended by the Bank in writing.

12. EXIT RIGHTS

12.1 Without prejudice to the provisions of Clause 15, the Investors shall, until they are provided an exit from the Bank, have the right to seek an exit from the Bank with respect to the Securities held by it, or their respective Affiliates, in accordance with the provisions of this Clause 12 ("Exit").

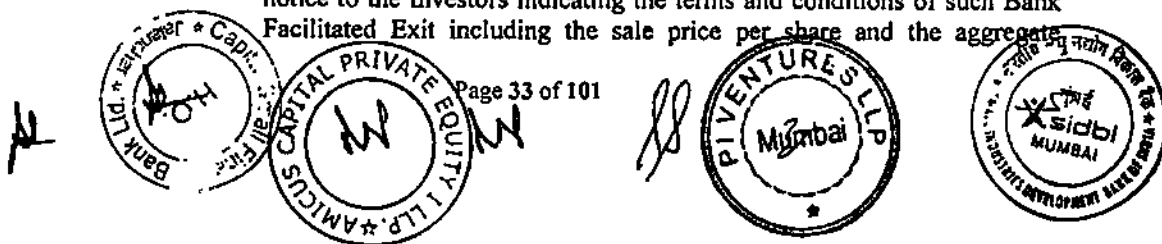
12.2 The Investors shall (without prejudice to the provisions of Clause 15) have the right to seek an Exit from the Bank, and the Bank and the Core Promoter shall endeavour to provide an Exit to the Investors or their Affiliates, in respect of their respective investment in the Securities of the Bank, through sale of Securities by way of either (i) QIPO; or (ii) secondary sale of the Securities held by the Investors in the manner set out at Clause 12.5 (hereinafter "Secondary Sale") (a) simultaneous with and as part of a Fresh Issue, or (b) independent of a Fresh Issue, whichever is earlier. Provided that, subject to Clauses 12.4 and 12.5, the timing and other terms of the QIPO and/or the Secondary Sale shall be decided by the Board in consultation with the Investors.

Further, the valuation of Securities for the purpose of the QIPO or Secondary Sale or any other form of Exit under this Agreement (except as otherwise expressly set out herein), shall be at least 2.40 (Two Point Four Zero) times the pre-money book value of the Bank (as of the last day of the immediately relevant preceding financial quarter) ("Exit Valuation"), and the Investors will be consulted, but not required to approve, the valuation of the QIPO or the Secondary Sale if that valuation is not less than the Exit Valuation.

12.3 Exit prior to QIPO Date

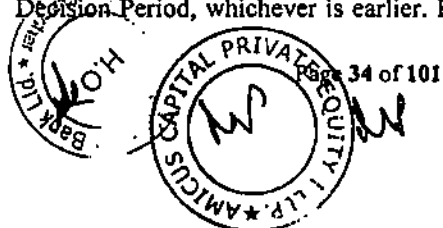
(i) Tag Along to Bank Facilitated Liquidity Event for Other Investors

- (a) In the event the Bank facilitates a full or partial Exit for either or all of the Other Investors prior to the QIPO Date by identifying potential purchaser(s) for all or part of the Securities held by any or all of the Other Investors (the "Bank Facilitated Exit"), the Bank shall provide a written notice to the Investors indicating the terms and conditions of such Bank Facilitated Exit including the sale price per share and the aggregate



consideration which will be available to the Investors and the Other Investors participating in that Bank Facilitated Exit and the indicative timeframe within which such Bank Facilitated Exit will be completed (the "Bank Facilitated Exit Intimation"). Each Party agrees that the Bank permitting or facilitating a diligence review conducted by or on behalf of a potential purchaser of Securities identified by any Other Investor will not constitute a Bank Facilitated Exit.

- (b) Within 15 (Fifteen) Business Days of the receipt of the Bank Facilitated Exit Intimation (the "Decision Period"), each Investor may by separate written notices to the Bank and the Core Promoter communicate its willingness to participate in the Bank Facilitated Exit by way of sale of any or all of the Securities held by such Investor or its Affiliate to the potential purchaser(s) (the "Bank Facilitated Exit Participation Notice").
 - (c) If the Bank receives a Bank Facilitated Exit Participation Notice from any or all the Investors, the Bank shall determine the total number of Securities held or proposed to be sold by the relevant Investors, as the case may be, in the Bank Facilitated Exit such that each of the relevant Investors and the Other Investors sell Securities to such potential purchaser *pro-rata* to their respective shareholding in the Bank as on the last date of the Decision Period (the "Acquisition Securities").
 - (d) Within a period of 15 (Fifteen) Business Days from the expiry of the Decision Period, the Bank shall provide a written notice to the Investors (the "Acquisition Notice") setting out (i) particulars of the potential purchaser (the "Acquiring Investor") who is proposing to invest under the Bank Facilitated Exit and is willing to acquire the Acquisition Securities; (ii) the number of Securities that the Acquiring Investor intends to acquire; and (iii) the price per Security payable by the Acquiring Investor, which shall not be less than the price as specified in the Bank Facilitated Exit Intimation (the "Acquisition Price"). The Investors and/or their respective Affiliates, as the case may be, shall be required to provide representations, warranties or indemnities only in relation to the title pertaining to the respective Investor Shares and the Promoters and the Bank shall provide (if required) any other representations, warranties and indemnities in relation to the Business of the Bank.
 - (e) Within 90 (Ninety) days from the receipt by the Investors of the Bank Facilitated Exit Participation Notice, the Bank and the Core Promoter shall ensure the consummation of the acquisition of Acquisition Securities by the Acquiring Investor(s) on terms that are no less favourable than those mentioned in the Bank Facilitated Exit Intimation including the Acquisition Price, offered to the Other Investors. Notwithstanding anything contained herein, the Bank shall endeavor that the sale of Acquisition Securities to the Acquiring Investor takes place simultaneously with the sale of Securities by the Other Investors to the Acquiring Investor.
- (ii) The Parties hereby agree that, in the event the Investors decide not to participate in the Bank Facilitated Exit, the Bank and the Core Promoter shall ensure that the sale of the Securities held by the Other Investors in the Bank, to the potential purchaser is completed within, the later of: (A) such period stipulated under Applicable Law; or (B) within 180 (One Hundred and Eighty) days of: (i) all the Investors intimating their decision to not participate in the Bank Facilitated Exit; or (ii) the expiry of the Decision Period, whichever is earlier. Provided that the said period of 180 (One

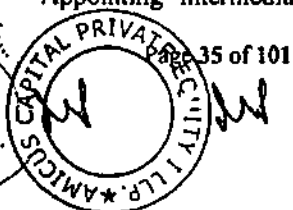


Hundred and Eighty) days will be extended (only to the extent required) should there be any pending approval from the Governmental Authority. In case the sale of the Securities held by the Other Investors is not completed within the aforesaid period, the Bank and the Core Promoter shall be required to once again follow the procedure that is set out in this Clause 12.3.

12.4 Exit through QIPO

- (i) Subject to the Applicable Law, the Bank and the Core Promoter shall initiate the process for a QIPO of the Bank no later than October 31, 2022 and on a best effort basis complete the QIPO no later than July 31, 2023 (the "QIPO Date"). In the event a QIPO is proposed, the Bank and the Core Promoter shall keep the Investors fully informed of all material activities undertaken in connection with the QIPO.
- (ii) Offer for sale in QIPO
- (a) Subject to Applicable Law, the QIPO shall have an offer for sale component and the Investors shall have the right (not an obligation) to offer all or any Equity Shares held by the Investors and/or their respective Affiliates for sale in the QIPO in priority and preference over the Promoter Group and the Key Shareholders. In the event any Investor wishes to offer the Equity Shares held by it and/or their Affiliates, for sale in the QIPO as provided herein, then the Bank and the Core Promoter shall undertake all necessary steps to ensure that such Equity Shares are offered for sale in the QIPO. In the event the merchant banker advising the Bank on the QIPO advises the Shareholders that reduction in the offer size in any such offering are necessary, the Investors and their Affiliate, will be the last Shareholders that will be required to reduce the number of Equity Shares proposed to be sold in such offering. Provided always that where the aggregate number of shares constituting the offer for sale component of the QIPO is lesser than the aggregate number of shares which the Investors, collectively, wish to sell through that offer for sale component, then the number of shares which each Investor sells will be determined *pro rata* to their respective shareholding on the date on which the relevant documents are filed with the Securities and Exchange Board of India to commence the QIPO.
- (b) The Bank and the Core Promoter agree and shall ensure that the Investors and/or their respective Affiliates, shall not be required to, upon listing or sale of the Equity Shares held by them, give any warranties or indemnities to any underwriter, broker, Recognized Stock Exchange or any other Person, other than in relation to the title of the Equity Shares held by such Investors and/or their respective Affiliates.
- (c) The Bank and the Core Promoter shall take all such steps, and extend all cooperation to each other, the Investors, the investment banks, lead managers, underwriters and any other Person as may be reasonably required for the purpose of expeditiously making and completing the QIPO, including but not limited to each of the following:
- (A) Undertaking the requisite corporate actions, including passing the requisite resolutions at the Board and Shareholders' meetings. All Promoters shall also vote at general meetings and cause their nominee Directors on the Board to cast their votes to give effect thereto;

(B) Appointing intermediaries and advisors (including legal and



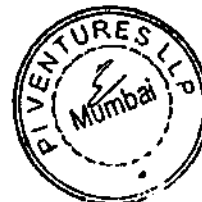
financial) to facilitate the process;

- (C) Providing reasonable access to various intermediaries and advisors (including legal, accounting, banking and financial), to the documents, offices and facilities of the Bank and its Subsidiaries, in order to provide adequate disclosures under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 or other applicable Law which is reasonably required;
- (D) Extending all such co-operation to the QIPO merchant banker, the syndicate members, underwriters and all other advisors which is reasonably required;
- (E) Conducting road shows with adequate participation of the Core Promoter and Senior Management Team of the Bank;
- (F) Providing all necessary information and documents necessary to prepare the offer documents;
- (G) Preparation of all necessary marketing material and documents to position the Bank appropriately for the QIPO;
- (H) Filing all requisite documents with appropriate Governmental Authorities;
- (I) Taking the necessary steps for obtaining all the necessary Consents from relevant Persons (including any Governmental Authority) in relation to such QIPO in a timely manner;
- (J) Providing all necessary personnel (including members of the key management of the Bank) to ensure compliance of the obligations set out in Clause 12.4;
- (K) Filing the draft red herring prospectus with SEBI and providing true, fair and correct responses to SEBI's observations on the draft red herring prospectus and finalizing and filing the red herring prospectus after the receipt of SEBI observations;
- (L) Finalizing the financial statements of the Bank and its Subsidiaries as required for the QIPO;
- (M) Satisfying the minimum promoter's contribution requirement;
- (N) Signing the final draft red herring prospectus prior to the same being filed with the SEBI;
- (O) Settling or resolving such legal or regulatory proceedings as may be advised by the QIPO merchant banker as advisable for purposes of the QIPO and which hinders the QIPO process, as practically and commercially possible;
- (P) Complying with and completing all necessary formalities under Applicable Law for listing;

Doing such other acts, deeds and things as may be required to be

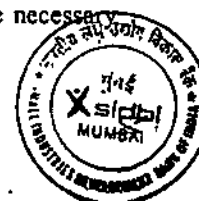


Handwritten signature.



done by the Bank and the Promoters under applicable Law to facilitate the consummation of the QIPO; and

- (R) Ensuring that the QIPO complies with the Applicable Law and listing requirements of the Recognized Stock Exchange.
- (d) Subject to the Applicable Law, the Bank shall be responsible for all ongoing listing costs and requirements including, the payment of all present and future costs relating to the listing and sponsorship, underwriting fees, listing fees, merchant bankers fees, bankers fees, brokerage, commission and any other costs that may be incurred due to the changes to the Applicable Law for the time being in force and all intermediaries, agents and managers shall be appointed by the Bank in consultation with the Investors and the Core Promoter and at the cost of the Bank.
- (e) The Bank and the Core Promoter jointly and severally undertake to indemnify the Investors, their Affiliates, officers, directors, employees, consultants and legal advisers, from or against, any Losses or Claims arising out of any (i) misrepresentation, inadequate disclosure or incorrect and misleading, or untrue information contained either in the QIPO draft red herring prospectus, red herring prospectus, prospectus, offering circular or any other offer document relating to the QIPO or other publicity material and/or future representation and information; (ii) any failure to state therein a material fact necessary to make the statements therein not misleading; or (iii) any violation of Applicable Law (including but not limited to securities laws and Recognized Stock Exchanges' requirements applicable to the QIPO).
- (f) The Bank and the Core Promoter shall ensure that the Investors and/or their respective Affiliates are not in any way liable or responsible for the prospectus or any other document or classified as a "promoter" or "promoter group" of the Bank for any purpose whatsoever. The Bank shall not name the Investors and/or their respective Affiliates as a "promoter of the Bank" or as part of the "promoter group" in any prospectus, or other document relating to the issuance of any Securities. Nothing herein shall require any Investor to do or omit to do anything that may result in it becoming a "promoter" or "promoter group" of the Bank under the Applicable Law, including the guidelines issued by the Securities and Exchange Board of India from time to time.
- (g) Subject to Applicable Law, none of the Equity Shares held by the Investors will be subject to any restrictions (including that of lock-in, promoter contribution or other restrictions) which are applicable to 'promoters'. The Promoters undertake that they shall comply with all obligations imposed under Applicable Law on 'promoters'. In the event any Governmental Authority rules, holds or adjudicates that any of the Investors are a 'promoter' of the Bank, or requires the Bank to mention any of the Investors as a 'promoter' of the Bank in any filings or documents, each of the Bank and the Core Promoter shall immediately inform the relevant Investor of the same in writing and further undertake to do all things, take all reasonable steps and make all appropriate representations in consultation with the relevant Investor so that such Investor is not considered as a 'promoter' and the Bank and Core Promoter shall work with the relevant Investor so that such Investor may take the necessary steps so as to not be classified as a 'promoter' of the Bank.



- (h) The Parties shall take all such steps and extend all such co-operation to each other and the merchant banker as may be required for the purpose of expeditiously making and completing the QIPO. Further, the Bank and the Promoters shall on a non-binding basis consult with the Investors in relation to (i) appointing any Person as the banker to the QIPO; and (ii) taking inputs from the Investors on the process for conducting and consummating the QIPO.

12.5 Exit Rights post the QIPO Date

In the event, the Bank and the Core Promoter fail to complete the QIPO on or prior to the QIPO Date (including as a result of non-subscription in the QIPO or the QIPO not being fully subscribed), the Bank shall, and the Core Promoter shall ensure that the Bank shall provide an Exit to the respective Investors and/or its Affiliate in the manner contemplated in this Agreement through a sale of the Securities held by the such Investor and/ or its Affiliate in the Bank to a Third Party ("Third Party Sale") (in terms of Clause 12.5(i)), Secondary Sale (in terms of Clause 12.5(ii)), Buyback (in terms of Clause 12.5(iii)), or Promoter Put (in terms of Clause 12.5(iv)). The Bank shall and the Core Promoter shall ensure that the Bank shall provide an Exit to the respective Investors that have issued the relevant notice pursuant to the terms and process set out in Clauses 12.5(i) to 12.5(iv) with respect to Securities held by it or its Affiliate, in accordance with the terms set out therein, within a period of 7 (Seven) months from the earlier of the: (i) receipt of the Investor Third Party Sale Notice by the Bank and the Core Promoter in terms of Clause 12.5(i); or (ii) issuance of the Fresh Issue Intimation by the Bank to the Investors in terms of Clause 12.5(ii); or (iii) receipt of the Buyback Notice by the Bank in terms of Clause 12.5(iii); or (iv) receipt of the Promoter Sale Notice by the Bank in terms of Clause 12.5(iv).

(i) Third Party Sale

- (a) At any time during the Post QIPO Period, the Investors, either jointly or independently, may by written notice require the Bank and the Core Promoter to procure a Third Party purchaser for the purchase of all or any of the Securities held by such Investors and/ or their respective Affiliates (the "Investor Third Party Sale Notice"). Immediately upon receipt of a Investor Third Party Sale Notice, the Bank and the Core Promoter shall intimate each of the other Investors in writing of having received such Investor Third Party Sale Notice (the "Third Party Sale Intimation Notice"). Within 30 (Thirty) Days from the receipt of the Third Party Sale Intimation Notice (the "Third Party Sale Response Period"), each of such Investors shall inform the Bank and the Core Promoter if they are interested in participating in the Third Party Sale along with the number of Securities they are willing to offer for sale to the Third Party (the "Third Party Sale Response").
- (b) Based on the responses received from the Investors during the Third Party Sale Response Period, the Bank and the Core Promoter shall, within 120 (One Hundred Twenty) Days of the expiry of the Third Party Sale Response Period, endeavour to procure bonafide Third Party purchaser(s) willing to purchase, whether in one or more tranches, the entire shareholding stake proposed to be offered for sale by each of the Investors and/ or their Affiliates in terms of the Third Party Sale Notice or such Third Party Sale Response and provide a written notice (the "Sale Details Notice"), to the Investors setting forth the particulars of the purchaser, the price per Security to be payable by such purchaser, the number of Securities proposed to be purchased, and other key terms of the sale, it being agreed that no onerous, adverse or unusual obligations shall be



Page 38 of 101



placed on the Investors as a conditions for such sale. The Parties hereby agree that the Bank and the Core Promoter shall ensure that the Third Party Sale does not take place below the Exit Valuation. Further, the proposed purchaser acquiring the Securities of the Investors in terms of the Third Party Sale shall be a Qualified Investor having the requisite capacity to acquire the Securities of the Investors in terms of the Third Party Sale and shall not be an Affiliate of the Promoters or Promoter Group.

- (c) Within a period of 30 (Thirty) days from the receipt of Sale Details Notice (the "Sale Decision Period"), the Investor that had issued the Investor Third Party Sale Notice and each of the Investors that had issued the Third Party Sale Response, may by written notice (the "Sale Decision Notice") to the Bank and the purchaser communicate its willingness to sell the entire shareholding stake proposed to be offered for sale by such Investors and/or their Affiliates in terms of the Third Party Sale Notice to the purchaser at the price and the terms specified in the Sale Details Notice(s). Provided that where the aggregate number of Securities set out in each of the Sale Details Notice is lesser than the aggregate number of Securities which the Investors, had collectively, notified that they would be aggregable to sell pursuant to the Investor Third Party Sale Notice and the Third Party Sale Response issued by such Investor, the number of Securities which each Investor will sell to such Third Party will be then determined pro rata to their respective shareholding inter-se between each of such Investors as of the last date of the Sale Decision Period. Further, if pursuant to such pro rata determination of the number of Securities which each Investor proposes to sell to such Third Party results in any of the Investors' shareholding falling below 2% (Two Percent) of the share capital of the Bank on a Fully Diluted Basis, then such Investor may at its sole discretion reduce the number of Equity Shares referred in the Sale Decision Notice issued by such Investor, within 7 (Seven) Business Days of the Bank informing about such pro rata determination, so as to ensure that such Investor continues to hold 2% (Two Percent) of the share capital of the Bank on a Fully Diluted Basis after the Third Party Sale.
- (d) The Bank and the Promoters shall provide necessary Transaction Assistance to the prospective Third Party buyer of the Securities in connection with the Third Party Sale. Without prejudice to the foregoing, the Bank and the Core Promoter, shall make endeavours to do all such acts as may be required (including obtaining Authorizations, providing the proposed purchaser and its advisors access to the records of the Bank and other assistance and co-operate for conducting a legal diligence and executing such documents as necessary to complete the Third Party Sale, including by providing such reasonable representations and warranties in relation to the Bank as may be requested by the Investors if any) to complete the Transfer of all or any part thereof, of the Securities held by the Investors and/or their respective Affiliates to the purchaser in accordance with the terms and price specified in the Sale Decision Notice within 30 (Thirty) Business Days from the expiry of the Sale Decision Period.
- (e) The Investors shall not be required to make any representation or warranty to the Third Party purchaser, other than in relation to the title of the Equity Shares held by such Investors and/or their respective Affiliates and the Investor's power and authority to undertake the Third Party Sale.



- (f) Within 30 (Thirty) days from the date of receipt of the Sale Decision Notice by the Bank or such extended period due to any approval pending from the Governmental Authority, if the (i) sale of Securities held by the Investors and/or their Affiliate is not consummated by the Bank for any reason whatsoever; or (ii) the Third Party purchaser has not been able to provide an Exit to the Investors and/or their respective Affiliates, with respect to all the Securities held by them, the right of the Investors under this Clause shall continue to subsist until the Investors and/or their respective Affiliates continues to hold any Securities in the Bank.
- (g) It is hereby clarified that with the exception of the requirement for the Bank and the Promoters to provide necessary Transaction Assistance, none of the provisions of this Clause 12.5(i) shall be applicable if the Investors identify a Third Party to purchase their respective Securities themselves.
- (h) Once a Third Party Sale Intimation Notice has been issued by the Bank under Clause 12.5(i)(a), none of the Investors shall be entitled to initiate a fresh Third Party Sale by issuance of an Investor Third Party Sale Notice under this Clause 12.5(i), for a period of 210 (Two Hundred Ten) Days from the date of such Third Party Sale Intimation Notice with respect to such number of Securities held by them that are in excess of the number of Securities that may have been offered for sale by such Investors pursuant to the Investor Third Party Sale Notice and/or any Third Party Sale Response, provided with respect to such Third Party Sale Intimation Notice. It is agreed that if any of the Investors do not participate in the Third Party Sale pursuant to the Investor Third Party Sale Notice or any Third Party Sale Response provided with respect to such Third Party Sale Intimation Notice, then such an Investor shall not be entitled to initiate a fresh Third Party Sale by issuance of a Investor Third Party Sale Notice under this Clause 12.5(i), for a period of 210 (Two Hundred Ten) Days from the date of such Third Party Sale Intimation Notice.
- (i) For avoidance of doubt, it is clarified that a Third Party Sale, whether occurring in one or more tranches, shall be consummated in full within a period of 7 (seven) months from the receipt of the Investor Third Party Sale Notice by the Bank and the Core Promoter from such Investor in terms of Clause 12.5(l).

(ii) Secondary Sale

- (a) In the event the Bank proposes to raise additional funds through a Fresh Issue at any time during the Post QIPO Period, the Bank shall provide a written notice to the Investors indicating the following (i) amount of capital proposed to be raised by the Bank (the "Amount"); (ii) the terms of issuance; (iii) the price per Security payable by the Future Investor(s) for the subscription of Securities, which price shall not be lower than the Exit Valuation; and (iv) the indicative timeframe within which such Fresh Issue will be undertaken (the "Fresh Issue Intimation"). Within 30 (Thirty) days of the receipt of the Fresh Issue Intimation (the "Fresh Issue Decision Period"), the Investors may by a written notice to the Bank and the Core Promoter communicate their willingness to participate in the Fresh Issue by way of sale of any or all of the Securities (the "Fresh Issue Acquisition Securities") held by such Investor or its Affiliate, to the Future Investor(s) (the "Fresh Issue Participation Notice"). The Parties hereby agree that if in terms of the Fresh Issue Participation Notice that have been received by the Bank, more than one Investor is willing to sell Securities to the Future



Investor(s), the number of Fresh Issue Acquisition Securities each Investor is able to offer to the Future Investor(s) shall be pro-rata to its shareholding in the Bank viz-a-viz the other participating Investor(s).

- (b) If the Bank receives a Fresh Issue Participation Notice from any Investor, the Bank can undertake the Fresh Issue only after, or simultaneously with, the completion of the sale of the Fresh Issue Acquisition Securities.
- (c) Within a period of 15 (Fifteen) days from the expiry of the Fresh Issue Decision Period, the Bank shall provide a written notice to the Investors (the "Fresh Issue Acquisition Notice") setting out particulars of the Future Investor(s) (the "Fresh Issue Acquiring Investor") who is/are proposing to invest in the Fresh Issue, the number of Securities that the Fresh Issue Acquiring Investor intends to acquire and the price per Security payable by the Fresh Issue Acquiring Investor (which shall not be less than the price of the Security at the Exit Valuation) (the "Fresh Issue Acquisition Price"). Provided always that where the aggregate number of shares which the Investors, collectively notify through the respective Fresh Issue Participation Notice is greater than the aggregate number of shares which the Fresh Issue Acquiring Investors are willing to acquire then the Bank will determine the number of shares to be sold by each Investor *pro rata* to their respective inter-se shareholding between each of such Investors, as of the date of the Fresh Issue Acquisition Notice.
- (d) The Investors and/or their Affiliates, as the case may be, shall provide representations or indemnities only in relation to the title of the Investor Shares, and the Promoters and the Bank shall provide (if required) representations and indemnities with respect to the Business of the Bank. The Bank and the Promoters shall provide all necessary Transaction Assistance to the Future Investor in connection with the Secondary Sale.
- (e) Within 15 (Fifteen) days from the receipt of the Fresh Issue Acquisition Notice or such extended period, as may be required, due to any approval pending from the Governmental Authority, the Bank shall, and the Core Promoter shall ensure consummation of the acquisition of Fresh Issue Acquisition Securities by the Fresh Issue Acquiring Investor(s) on the same terms as mentioned in the Fresh Issue Participation Notice including the Fresh Issue Acquisition Price. Notwithstanding anything contained herein, the Bank shall endeavour that the sale of Fresh Issue Acquisition Securities to the Fresh Issue Acquiring Investor and the issuance of Securities to the Future Investor(s) take place simultaneously.
- (f) If the Investors do not provide the Fresh Issue Participation Notice within the time period specified above, then the Bank may, subject to the rights of Investors set forth in this Agreement, proceed with the issuance of Securities to the Future Investor(s) at the price and terms mentioned hereinabove and within the period specified in the Fresh Issue Intimation for completing the Fresh Issue, failing which, the Bank shall have to once again follow the process set out in this Clause 12.5(ii).
- (g) The provisions of this Clause shall apply with respect to every Fresh Issue proposed to be undertaken by the Bank at any time until the Investors and their Affiliate (if applicable) are provided complete Exit from the Bank.

(iii) Buyback

- (a) Subject to Applicable Law, at any time during the Post QIPO Period, any of the Investors, either acting jointly or independently, may by written

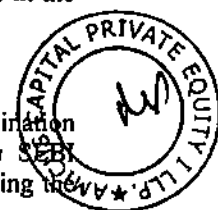


notice (the "Buyback Notice") require the Bank to buyback all or any of, the Securities held by such Investors and/or their Affiliate. The Buyback Notice shall set out (i) the number of Securities that such Investor and/or their Affiliates propose to sell (the "Buyback Securities"); (ii) the price acceptable to such Investor for sale of Buyback Securities, which shall be subject to the Applicable Law and not less than the Exit Valuation; and (iii) any other terms or conditions for the sale of Buyback Securities. Immediately upon receipt of such Buyback Notice, the Bank and the Core Promoter shall intimate each of the other Investors in writing of having received such Buyback Notice (the "Buyback Intimation Notice"). Within 30 (Thirty) Days from the receipt of the Buyback Intimation Notice (the "Buyback Response Period"), each of such Investors shall inform the Bank and the Core Promoter if they are interested in participating in such buyback along with the number of Securities they are willing to offer in such buyback (the "Buyback Response").

- (b) Within a period of 15 (Fifteen) days from the expiry of the Buyback Response Period, (the "Buyback Sale Period"), the Bank, shall notify, in writing, whether the Bank will be permitted to undertake the Buyback in accordance with Applicable Law for all such Securities which are proposed to be offered in the buyback by the Investors pursuant to Clause 12.5(iii)(a) (the "Buyback Completion Notice"). Provided always that the Buyback shall be subject to the approval of the Board and the Shareholders, as required under Applicable Law.
- (c) Provided always that where the aggregate number of shares offered for Buyback by the Investors collectively is higher than the aggregate number of Securities that the Bank can buyback and as set out in Buyback Completion Notice, then the number of shares which each Investor sells in the Buyback will be: (i) subject to applicable law and if no person other than the Investors are participating in the Buyback: determined *pro rata* to their respective inter-se shareholding between each of such Investors on the 1st day of the Buyback Sale Period; or, if (i) is not achievable, (ii) determined *pro rata* to the Shareholding, as on the 1st day of the Buyback Sale Period, of all Shareholders participating in the Buyback.
- (d) Within 90 (Ninety) days from the receipt of the Buyback Completion Notice or such extended period due to any approval pending from the Governmental Authority, the Bank shall endeavor to complete the sale of Buyback Securities undertake all necessary actions, as may be, required (including obtaining Authorizations) to complete the buyback of Buyback Securities.
- (e) The Promoters shall not participate in the Buyback pursuant to a Buyback Notice and Buyback Completion Notice, unless the Investors are able to sell all the Securities as described in the Buyback Notice or the Buyback Completion Notice, as the case may be.
- (f) The rights of the Investors under this Clause shall continue to subsist until the Investors and/or their Affiliate continue to hold any Securities in the Bank.

(iv) Promoter Put

- (a) Subject to Applicable Law, in the event that a final order or determination is issued by any Governmental Authority including *inter alia* SEBI prohibiting the QIPO, each of the Investors may, at any time during the



Handwritten mark

Handwritten signature

Handwritten mark

Post QIPO Period by written notice (the "Promoter Sale Notice") require the Core Promoter to purchase, all or any of, the Securities held by such Investor and/or their Affiliates. A copy of such Promoter Sale Notice shall also be sent by the Investor issuing such notice to each of the other Investors. The Promoter Sale Notice shall set out (1) the number of Securities that such Investor and/or their Affiliate proposes to sell (the "Promoter Sale Security"); (2) the price acceptable to such Investor for sale of Promoter Sale Security, which shall be the higher of (i) Exit Valuation; or (ii) an amount which provides 18% (Eighteen Percent) IRR on the Investment Amount as of the date of sale of Securities under this Clause; and (3) any other terms or conditions for the sale of Promoter Sale Security.

- (b) It is agreed that if the Bank is unable to comply with or give full effect to the provisions of Clause 8.1(xiv) of the SSA 1, then the price referred to in **Clause 12.5(iv)(a)** shall automatically stand amended (with no further actions being required by any Party in this regard) to mean the higher of (i) the Exit Valuation; or (ii) (A) for Existing Investor A and Exiting Investor B, the sum of (X) an amount which provides a 18% (Eighteen Percent) IRR on the total amount invested prior to the SSA 1 Closing Date by the said investors in the Bank; and (Y) an amount which provides a 21% (Twenty One per cent) IRR on the total amount invested on and from the SSA 1 Closing Date by the said investors in the Bank; and (B) for Amicus and OIJIF an amount which provides a 21% (Twenty One Percent) IRR on the total amount invested by the said investors. Within 30 (Thirty) Business Days from the receipt of the Promoter Sale Notice (the "Sale Response Period"), each of the other Investors shall intimate in writing to each of the other Investors, the Bank and the Core Promoter if they are interested in selling their respective Securities along with the number of Securities they are willing to sell (the "Sale Response").
- (c) The Core Promoter shall complete the sale of Promoter Sale Security and all of the Securities set out in the Sale Response issued by each of the Investors and undertake all necessary actions, as may be, required (including obtaining the requisite Authorizations) to complete the sale of Promoter Sale Security and each of the Securities held by the Investors as set out in the Sale Response within a period of 120 (One Hundred and Twenty) days of the Sale Response Period. Provided that the said period of 120 (One Hundred and Twenty) days will be extended should there be any pending approval from the Governmental Authority.
- (d) The Investors shall not be required to make any representation or warranty in relation to any Promoter Sale Security and each of the Securities held by the Investors as set out in the Sale Response sold by them pursuant to this **Clause 12.5(iv)**, other than in relation to the title to such Promoter Sale Security being free and clear and the Investors' power and authority to undertake the proposed sale of their respective Promoter Sale Security. The Bank and the Promoters shall provide all necessary Transaction Assistance to the Investors (if required) in connection with the sale of Securities as contemplated in **Clause 12.5(iv)**.
- (e) The rights of the Investors under this Clause shall continue to subsist until the Investors and/or their Affiliate continues to hold Securities in the Bank.



(v) Exit Rights post Second Exit Date

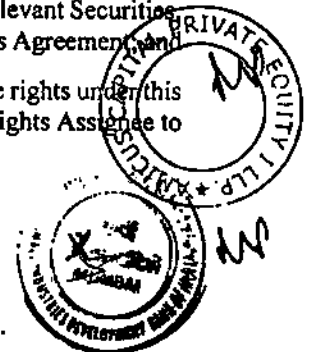
In the event the Bank and the Core Promoter fail to: (A) complete the QIPO on or prior to the QIPO Date; and (B) provide an Exit to the respective Investors that have issued the relevant notice pursuant to the terms and process set out in Clauses 12.5(i) to 12.5(iv) with respect to Securities held by it or its Affiliate, in accordance with the terms set out therein, within a period of 7 (Seven) months from the earlier of: (i) receipt of the Investor Third Party Sale Notice by the Bank and the Core Promoter in terms of Clause 12.5(i); or (ii) issuance of the Fresh Issue Intimation by the Bank to the Investors in terms of Clause 12.5(ii); or (iii) receipt of the Buyback Notice by the Bank in terms of Clause 12.5(iii), or (iv) receipt of a Promoter Sale Notice by the Bank in terms of Clause 12.5(iv) (the "Second Exit Date"), then subject to the terms and conditions contained in this Agreement, the respective Investor that had issued any of the notices pursuant to the terms set out in Clauses 12.5(i) to 12.5(iv) shall have the right and entitlement to sell or assign or otherwise Transfer any or all their Securities held at such time (including the rights held by the such Investors in connection with such Securities) to any financial or strategic investor or any other Person, including but not limited to Banking Companies, their promoters and affiliates of such promoters, and the Transfer Restrictions contained in Clause 15.4 for sale by such Investors shall cease to apply after the Second Exit Date and the Bank and the Promoters will do all things reasonably within their respective control to facilitate such Exit (including assisting the such Investors in identifying a potential purchaser of the Investors' Securities, permitting such potential purchaser to conduct a due diligence on the Bank as is customary in such exits and providing customary representations and warranties and covenants to the prospective purchaser) subject to such potential purchaser executing relevant confidentiality agreements with the Bank. Without prejudice to the foregoing, the Bank and the Promoters agree to provide all necessary Transaction Assistance to the prospective purchaser in connection with the sale contemplated in this Clause 12.5(v).

12.6 Exercise of Investors' Rights

- (i) Where any Investor transfers to any Person all of the Securities held by it, such Person shall execute the Deed of Adherence set out at Schedule IV of this Agreement.
- (ii) Where any Investor transfers part, but not all of the Securities held by it, to any Person in accordance with this Agreement, then notwithstanding anything stated elsewhere in this Agreement, the relevant Investor must:
 - (a) Give prior notice to the Bank and the Promoters of such transfer;
 - (b) Determine whether it will continue to exercise the rights under this Agreement, or the Third Party transferee (the "Investor Rights Assignee") will exercise these rights and notify the Bank of the rights proposed to be exercised by the Investor and the rights proposed to be exercised by the Investor Rights Assignee respectively;
 - (c) In the event the relevant Investor determines that the Investor Rights Assignee is to exercise all the rights under this Agreement, the Investor Rights Assignee must execute the Deed of Adherence set out at Schedule IV of this Agreement, immediately upon transfer of the relevant Securities and the Investor shall cease to exercise its rights under this Agreement;
 - (d) In the event the relevant Investor continues to exercise the rights under this Agreement, then such Investor shall cause the Investor Rights Assignee to



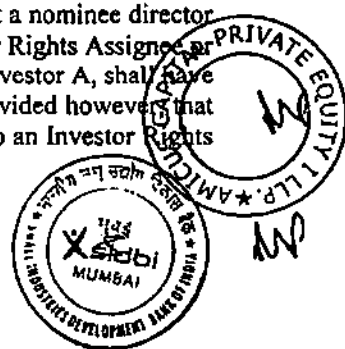
Handwritten signature



execute the Deed of Confirmation set out at Schedule V of this Agreement, immediately upon transfer of the relevant Securities,

provided that the provisions of Clause 12.6(ii)(b) and Clause 12.6(ii)(d) shall not apply in case the Promoters and/ or the Bank have not fully discharged their obligations under this Agreement in relation to the Exit provisions, and in such a case the Investor will continue to exercise all its rights under this Agreement (except the rights set out at Clause 5, if the rights under Clause 5 have been transferred by the Investor in terms of Clause 12.6(ii)(b)).

- (iii) It is agreed that where OIJIF transfers all or part of the Securities held by it to any Person in accordance with this Agreement then:
- (a) If OIJIF sells any of the Securities held by it, either fully or partly, to one or more Investors Rights Assignee, within 2 (Two) years from the SSA 2 Closing Date, then only one such Investor Rights Assignee or OIJIF, as may be decided by OIJIF, shall have the right to appoint a nominee director under Clause 5.2(ii)(d).
 - (b) If OIJIF sells any of the Securities held by it, either fully or partly, to one or more Investors Rights Assignee, any time after the completion of 2 (Two) years from the SSA 2 Closing Date, then (i) one such Investor Rights Assignee or OIJIF, as may be decided by OIJIF, shall have the right to appoint a nominee director under Clause 5.2(ii)(d); and (ii) another such Investor Rights Assignee or OIJIF, as may be decided by OIJIF, shall have a right to appoint 1 (one) observer on the Board, provided however, that rights under both (i) and (ii) shall only be available to an Investor Rights Assignee who purchases at least 4% (Four Percent) of the share capital of the Bank on a Fully Diluted Basis, upon such transfer. For the sake of clarity, the right to appoint a nominee director and an observer as set out above will not be available with the same Shareholder.
- (iv) It is agreed that where Amicus transfers all or part of the Securities held by it to any Person in accordance with this Agreement then if Amicus sells any of the Securities held by it, either fully or partly, to one or more Investor Rights Assignee, then only one such Investor Rights Assignee or Amicus, as may be decided by Amicus, shall have the right to appoint a nominee director under Clause 5.2(ii)(c).
- (v) It is agreed that where Existing Investor A transfers all or part of the Securities held by it to any Person in accordance with this Agreement then:
- (a) If Existing Investor A sells any of the Securities held by it, either fully or partly, to one or more Investor Rights Assignee, within 2 (Two) years from the SSA 1 Closing Date, then only one such Investor Rights Assignee or Existing Investor A, as may be decided by Existing Investor A, shall have the right to appoint a nominee director under Clause 5.2(ii)(b).
 - (b) If Existing Investor A sells any of the Securities held by it, either fully or partly, to one or more Investor Rights Assignee, any time after the completion of 2 (Two) years from the SSA 1 Closing Date, then (i) one such Investor Rights Assignee or Existing Investor A, as may be decided by Existing Investor A, shall have the right to appoint a nominee director under Clause 5.2(ii)(b); and (ii) another such Investor Rights Assignee or Existing Investor A, as may be decided by Existing Investor A, shall have a right to appoint 1 (one) observer on the Board, provided however, that rights under both (i) and (ii) shall only be available to an Investor Rights



Assignee who purchases at least 4% (Four Percent) of the share capital of the Bank on a Fully Diluted Basis, upon such transfer. For the sake of clarity, the right to appoint a nominee director and an observer as set out above will not be available with the same Shareholder.

- (vi) It is agreed that where Existing Investor B transfers all or part of the Securities held by it to any Person in accordance with this Agreement then:
- (a) If Existing Investor B sells any of the Securities held by it, either fully or partly, to one or more Investors Rights Assignee, within 2 (Two) years from the SSA 1 Closing Date, then only one such Investors Rights Assignee or Existing Investor B, as may be decided by Existing Investor B, shall have the right to appoint a nominee director under Clause 5.2(ii)(b).
- (b) If Existing Investor B sells any of the Securities held by it, either fully or partly, to one or more Investors Rights Assignee, any time after the completion of 2 (Two) years from the SSA 1 Closing Date, then (i) one such Investor Rights Assignee or Existing Investor B, as may be decided by Existing Investor B, shall have the right to appoint a nominee director under Clause 5.2(ii)(b); and (ii) another such Investor Rights Assignee or Existing Investor B, as may be decided by Existing Investor B, shall have a right to appoint 1 (one) observer on the Board, provided however, that rights under both (i) and (ii) shall only be available to an Investor Rights Assignee who purchases at least 4% (Four Percent) of the share capital of the Bank on a Fully Diluted Basis, upon such transfer. For the sake of clarity, the right to appoint a nominee director and an observer as set out above will not be available with the same Shareholder.

12.7 Notwithstanding the foregoing, for the avoidance of doubt it is expressly clarified that: any reference to the shareholding of an Investor in this Clause 12 (*Exit Rights*) refers to the aggregate shareholding of that Investor and its Affiliates.

13. OBLIGATIONS OF BANK AND PROMOTERS

13.1 Bank's Obligations

The Bank shall, and Promoters shall ensure that the Bank shall, at all times:

- (i) comply with all terms and conditions of the Charter Documents and shall not cause alteration of or amendment to any provision in the Charter Documents, otherwise than in accordance with this Agreement;
- (ii) comply with all Applicable Laws in all material respects and not engage in any activity which is not permitted under the Applicable Law;
- (iii) comply with all conditions imposed by any Governmental Authority for the continuance of any Authorizations issued to the Bank in relation to undertaking of the Business;
- (iv) maintain in full force and effect all material Authorizations required to implement the current growth plan and operate the Business;
- (v) not enter into any agreement whereby the Bank's income or profits are shared with any Party or Third Party, except as per this Agreement;
- (vi) comply with the best practices in corporate governance as per the industry standards;



- (vii) conduct Business by following prudent standards and ensuring adequate control;
- (viii) pay its Taxes and file its Tax returns on time in every jurisdiction where any Taxes are payable or Tax returns are required to be filed;
- (ix) perform, observe and comply with all material terms of any contract entered into by the Bank;
- (x) utilize the entire sums invested by the Investors strictly in accordance with the terms set forth in the respective share subscription agreements/addendums, as the case may be;
- (xi) conduct the Business consistent with its past customs and practice as carried on prior to and as on the Execution Date, to the extent in compliance with Applicable Laws and shall not acquire or dispose of (whether in a single transaction or series of transactions) any assets, business (or any material part of any business) or securities in any entity, other than in the Ordinary Course of Business of the Bank;
- (xii) conduct the affairs of the Bank in a manner which is not prejudicial to the interest of the Bank and its Shareholders;
- (xiii) to amend the Articles subject to approval from the RBI for the purpose of incorporating the provisions of this Agreement, in the form approved by the Investors. The Parties agree that to the extent the Articles are in conflict with or are inconsistent with the terms and conditions of this Agreement, the Parties shall take such steps as may be reasonably necessary to amend the Articles appropriately in accordance with this Agreement, as soon as practicable, to eliminate such conflict or inconsistency, subject to approval from the RBI;
- (xiv) maintain books and records of account in accordance with Accounting Standards;
- (xv) undertake all Related Party Transactions only on an arm's length basis. Further, subject to Clause 8 above, the Investors shall have the right to review any such Related Party Transactions on an on-going basis and the Bank and Promoters agree and undertake to provide all such information and data as the Investors may require in this regard;
- (xvi) In the event an employee of the Bank is convicted by a Governmental Authority of any offence involving moral turpitude (including in the nature of criminal misconduct or sexual harassment), the Bank shall immediately terminate the employment of such Person. No such Person shall be employed or engaged as a consultant or appointed as a Director by the Bank;
- (xvii) The Bank shall, obtain and maintain insurance coverage with a well established and reputable insurer, in accordance with current industry practice and as approved by the Board from time to time;
- (xviii) ensure that the Core Promoter retains its position in the Bank until such time as is determined by the Board, and as required by Applicable Law; and
- (xix) ensure that Securities allocated for stock options are allotted in accordance with the ESOP scheme of the Bank, as approved by the Board, and the Applicable Law.

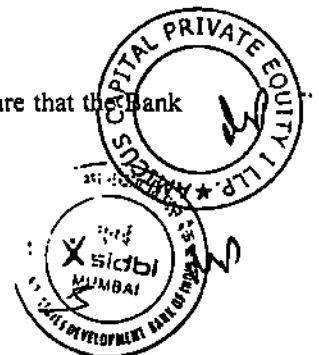
13.2 Promoter's Obligations:

The Promoters, at all times, shall:

- (i) exercise all rights and powers lawfully available to them to ensure that the Bank complies with its obligations under this Agreement;



Page 47 of 101



- (ii) notify the Investors within 15 (Fifteen) days of becoming aware of any breach by the Bank of any of its obligations under this Agreement or on occurrence of Material Adverse Effect;
- (iii) not at any time in any Relevant Capacity, directly or indirectly (a) have a Substantial Interest in any entity which competes with the Principal Business (except through the Bank); (b) solicit for employment or employ, or assist any other person to solicit for employment or employ, any individual who is engaged in employment with the Bank; or (c) solicit, or assist any other person to solicit, any current customer, client or account of the Bank for any business that is competitive with the Principal Business provided always that this will not apply to any Relative Affiliate of a Promoter unless that Relative Affiliate holds a Substantial Interest in a business competing with the Principal Business or is an employee or office bearer of the Bank;
- (iv) not engage in any transaction with the Bank that is less favourable to the Bank than the terms that would be available to the Bank in a comparable transaction which is conducted on the basis of arm's-length dealings with a Third Party; and
- (v) ensure that the Bank shall at all times conduct its Business in accordance with all Applicable Laws and as per the best business practice prevailing in the industry in which the Bank carries on its Business.

13.3 Core Promoter's Obligations

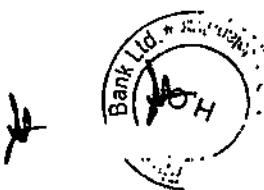
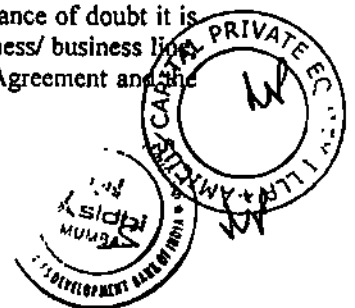
In addition to Clause 13.2, the Core Promoter shall:

- (i) not at any time in any Relevant Capacity, directly or indirectly compete, invest and/or set up any entity which competes with the Principal Business (except through the Bank) provided always that this will not apply to:
 - (a) M/s Midland Microfinance Limited ("MML"); nor
 - (b) to any Relative Affiliate of the Core Promoter unless that Relative Affiliate holds a Substantial Interest in a business competing with the Principal Business or is an employee or office bearer of the Bank;

It being clarified that the exception mentioned in (a) above shall cease to apply as soon as: (A) MML converts into a bank of any form, or (B) MML extends the scope of its business, whereby its business becomes similar to or competes with that of the Principal Business provided that the Core Promoter is or becomes involved directly or indirectly with MML in any manner or capacity including as an employee, consultant, advisor, shareholder, partner, holder of any beneficial interest, financier, lender, director, officer (including executing any agreement with MML or its promoters regarding any of the foregoing positions/ roles); and

- (ii) ensure that the Senior Management Team shall be in exclusive full-time employment of the Bank.

Without derogating from the generality of the above, the Core Promoter shall be in full-time employment with the Bank and shall devote all his time, abilities and attention to the Business, other than the Permitted Investments. The Core Promoter and other Promoters shall, at all times, act in good faith and in the best interests of the Bank, including ensuring that full/ entire benefit (economic and otherwise) of any business/ business line undertaken by the Bank shall at all times vest solely with the Bank. For the avoidance of doubt it is hereby clarified that the Bank shall be entitled to discontinue any business/ business line in compliance with the Applicable Law, its Charter Documents, this Agreement and the

Bank's board process, so long as the Bank, the Core Promoter and the other Promoters act in a bona fide manner in this regard.

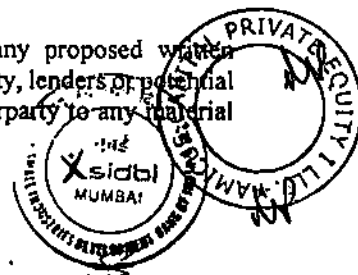
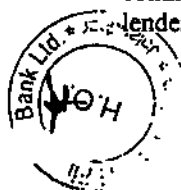
14. INFORMATION, ACCOUNTING AND FINANCE

14.1 The Investors or their nominees shall be entitled to monitor the operations of the Bank. The Bank shall furnish to the Investors or to their nominee such information and data as may be required by it from time to time for this purpose.

14.2 The Bank shall prepare its accounts in accordance with Applicable Law and Accounting Standards.

14.3 Subject to Clause 18, and Applicable Law including without limitation the Guidelines, the Bank covenants that, as soon as practicable, but in any event not later than time period prescribed below, it shall provide the Investors the following information:

- (i) within 30 (Thirty) days from the end of each quarter, quarterly reports on implementation of the Annual Budget in the agreed form;
- (ii) within 30 (Thirty) days from the end of each month, the MIS prepared for the previous month which shall include the status of legal cases filed by or against the Bank;
- (iii) within 30 (Thirty) days from the end of each quarter, the quarterly profit and loss statement, balance sheet and cash flow statements of the Bank;
- (iv) within 30 (Thirty) days of each quarter, details of each customer or client account which exceeds INR 50,00,000 (Rupees Fifty Lakhs Only) and is classified as a non-performing asset in accordance with Applicable Law together with details of the product line and business vertical pertaining to each such customer or client account;
- (v) within 2 (Two) months from the end of the Financial Year the annual audited financial statements;
- (vi) ensure that the reports of the independent agencies and Governmental Authorities are shared with the Investors;
- (vii) share copies of any material amendments to Authorizations and relevant correspondences with Governmental Authorities;
- (viii) share details of any material litigation having a consequence of more than: (A) INR 2,50,00,000 (Rupees Two Crore Fifty Lakhs), where such litigation has been initiated by the Bank; or (B) INR 1,00,00,000 (Rupees One Crore Only), where such litigation has been initiated against the Bank; winding-up proceedings or notices under any enactment or regulation, proceedings or material dispute or adverse changes that impedes or which is likely to adversely affect its business or assets or reputation or otherwise, criminal proceedings against the Bank, its Directors (in capacity of such person being a director of the Bank), and the Promoters (in capacity of such person being a promoter of the Bank);
- (ix) details of any event of force majeure or any other event which would have an effect on the Bank's profits or business;
- (x) promptly following the preparation thereof, a copy of any proposed material revisions to the annual budget delivered;
- (xi) promptly following the preparation thereof, a copy of any proposed written communication to be provided to any Governmental Authority, lenders or potential lenders of the Bank, any rating agency or any other counterparty to any material



contract, if the effect of such written communication would permit the creation or imposition of any material binding obligation of, material rights of or against or material restrictions affecting the Bank, and any responses thereto;

- (xii) regular updates pertaining to the Business, discussions with Governmental Authorities, inorganic growth initiatives taken by the Bank and any other matter related to the Business which has a Material Adverse Effect on the Bank
- (xiii) to the extent available, provide to Existing Investor A and Amicus information required for the purpose of compliance with the Anti-Corruption Laws, Sanction Laws and Regulations and ESG Laws;
- (xiv) within 15 (Fifteen) days, after receipt thereof, copies of all notices, correspondence and/or other communications which may result in Events of Default or potential Events of Default, investigations, audits, breaches, violations of Applicable Law or any similar matters received from any Governmental Authority, and copies of any responses thereto prior to such responses being provided to the relevant Governmental Authority; and
- (xv) any other information that may be reasonably requested by the Investors from time to time.

14.4 During the Term of this Agreement, the Investors or their nominees shall be entitled to monitor the operations of the Bank. The Bank shall furnish to the Investors or to their nominee such information and data as may be required by the Investors or their nominee from time to time and the Investors or their respective nominees shall also have a right to examine the books and records of the Bank, subject to Applicable Law and customary conventions concerning confidentiality of customer information, through its authorized representatives, during normal business hours with reasonable notice in advance.

14.5 The Bank and the Promoters agree that so long as each of the Existing Investor A and Amicus hold any Security in the Bank, the Bank and the Promoters will provide to each of the Existing Investor A and Amicus with a quarterly compliance certificate in relation to the (i) ESG Laws; and (ii) Sanctions Law and Regulations, in the form attached hereto as **Schedule VII** and **Schedule VIII** respectively, with respect to the Bank and its Subsidiaries. The Parties acknowledge that such certificates shall confirm statements on the lines set out in **Schedule VII** and **Schedule VIII** and as intimated by the Amicus from time to time.

14.6 At the end of every quarter of a Financial Year, a whole-time Director or a key managerial personnel of the Bank shall provide a compliance certificate to the Board substantially in the form provided in **Schedule IX** stating that the business and affairs of the Bank, have been, are being and shall be conducted in compliance with Applicable Law and in the interest of the Bank.

14.7 The Bank and the Promoters agree that by February 29, 2020 they shall:

- (i) Adopt, implement and give effect to an anti-corruption and bribery policy which shall be to the satisfaction of Amicus (and in relation to which, Existing Investor A shall have consultation rights), including the adoption of such policy by the Board;
- (ii) Adopt and implement an anti-money laundering policy and an anti-corruption policy each of which shall be to the satisfaction of Amicus (and in relation to which Existing Investor A shall have consultation rights), including the adoption of such policies by the Board, and compliance procedures, training and monitoring programs in relation to new compliance policies and Amicus shall provide such



operation as may be reasonably required for such implementation.

In the event of any adverse findings with respect to ESG Laws and ESG Policy, the Bank and the Promoters agree that within 30 (Thirty) days of such finding, such non-compliances will be remedied.

15. OTHER COVENANTS

15.1 It is agreed that:

- (i) The Investors and/or their Affiliates shall not be considered or represented as a "promoter" of the Bank for any purpose whatsoever including for the purpose of the QIPO; and
- (ii) Unless otherwise required by the Applicable Law, none of the Investor Shares shall be subject to any restriction of any nature.

15.2 The Bank shall and the Promoter shall ensure that the Bank shall, at all times be compliant with the minimum capitalization requirements under the Applicable Law in respect of its Business. The Bank and the Promoter shall ensure that the Business is operated and conducted in material compliance with Applicable Law, including the Guidelines, the SFB License and the other authorisations issued by the RBI in relation to 'small finance banks'.

15.3 The Investor Shares shall not be subject to any lock-in at any point of time under any circumstances and shall be freely tradable and transferable, subject to Applicable Law. The Securities allotted to the Investors and their Affiliates, at all times, shall be free from any Encumbrance. The Investors and/or their Affiliates shall not be required to pledge the Investor Shares as and by way of security for any loans or indebtedness of the Bank or provide any guarantee, letter of comfort or any other support to any Third Party, including, without limitation, to the lenders of the Bank.

15.4 The Investors and their Affiliates shall, at all times, have the right to freely Transfer any of the Securities held by them to any Person. Notwithstanding the foregoing, the Investors shall not transfer Investor Shares to Banking Companies, promoters of Banking Companies and Affiliates of such promoters (excluding mutual funds, insurance companies and alternative investment funds) (the "Transfer Restriction"). It is hereby clarified that the Transfer Restriction shall not be applicable from the earlier of the occurrence of (a) any Event of Default under Clause 16; and (b) period commencing the Second Exit Date as set out in Clause 12.5(v).

The Parties agree that in connection with any Transfer of Securities held by the Investors and / or their Affiliates to any Person (as referred to in the first sentence of the above paragraph), the Bank and the Promoters shall provide all necessary Transaction Assistance to the Investors (and/ or their Affiliates, as the case may be) and the prospective purchaser including cooperation for conducting financial and legal due diligence, provided that: (i) where the respective Investor transferring the Securities holds 2% (Two Percent) or more of the paid-up equity share capital of the Bank on a Fully Diluted Basis, then the said Transfer of Securities shall be in a tranche that is at least 2% (Two Percent) of the paid-up equity share capital of the Bank on a Fully Diluted Basis; and (ii) where the respective Investor transferring the Securities holds less than 2% (Two Percent) of the paid-up equity share capital of the Bank on a Fully Diluted Basis, then the said Transfer of Securities shall be in one tranche for the entire shareholding in the Bank held by such Investor.

15.5 The Investor Shares shall at all times rank *pari-passu* with the outstanding issued Equity Shares with respect to all activities, including, but not limited to, voting rights, dividends and rights issuance.



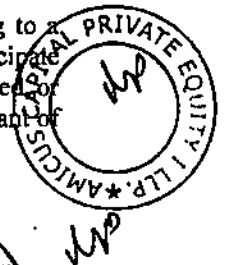
15.6 In the event of any investment by a Future Investor(s) in the Bank, the Bank and the Promoters covenant the following:

- (i) The Investors and the Core Promoter shall be a party to any agreement executed with such Future Investor(s) in relation to the rights of such Future Investor as a shareholder; and
- (ii) All concerns, issues and conditions raised by the legal, financial and business due diligence exercise by any such Future Investor(s) shall be resolved to the satisfaction of the Investors.

15.7 The Bank and the Promoters shall ensure that the rights (whether express or implied) accorded to any new investor under (i) the relevant securities subscription agreement (as amended/modified, and includes addendums thereto) and/ or securities purchase agreement, or (ii) any subsequent shareholders' agreement or any instrument through which such new investor becomes a party to this Agreement, or (iii) any other agreement or arrangement with such new investor, are not, under any circumstances, more favourable than, or superior to, those accorded to the Investors respectively under the Transaction Documents. Without prejudice to the foregoing rights and any other rights of the Investors contained in this Agreement, the Bank, the Promoters, and the Key Shareholders, shall promptly provide the Investors any rights granted to any Future Investor(s) or any new investor which are more favourable (in any manner whatsoever) than those provided to the Investors under this Agreement.

15.8 Non-Compete:

- (i) Till such time, any of the Investors hold any Equity Share in the Bank or this Agreement is terminated in accordance with Clause 17, whichever is earlier, the Core Promoter undertakes not to sponsor/promote, directly or indirectly, including through any of his Immediate Family Members, or through an Affiliate, any other business within the territory of India which competes with the Principal Business, unless such investment is through the Bank. Provided that this will not always apply to any Relative Affiliate of the Core Promoter unless that Relative Affiliate holds a Substantial Interest in a competing business or is an employee or office bearer of the Bank.
- (ii) Till such time any of the Investors hold any Equity Share in the Bank or this Agreement is terminated in accordance with Clause 17, whichever is earlier, the Core Promoter undertakes that the Core Promoter or any of his Immediate Family Members shall not engage in any of the following within the territory of India:
 - (a) work for or associate in any way (including but not limited to as shareholder or partner) with another Banking Company or conduct business as a Banking Company. It being clarified for the avoidance of doubt that the Core Promoter may make a Permitted Investment;
 - (b) carry on, engage, set-up, promote, finance or invest in any business (or venture or company) which deals with or offers the same or similar products and/or services or which is similar to or directly or indirectly competes with, the Principal Business;
 - (c) enter into any agreement or arrangement with any Person relating to business similar to or identical with the Principal Business, or participate in the management, operation, or control of, or be financially interested in, or become a director, officer, partner, executive or whole-time consultant of, or to any business competing with the Principal Business;



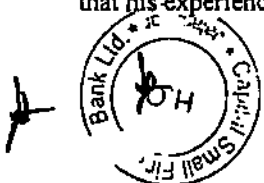
- (d) be employed or engaged by, enter into partnership with, employ, engage, attempt to employ or engage, or negotiate or arrange the employment or engagement by any other Person, of any Person who was during his/her/it's association, part of the management team or an employee employed in a managerial capacity in the Bank, in relation to any business competing with the Principal Business; or
- (e) other than in Ordinary Course of Business, divulge or disclose to any Person any information (other than information available to the public or disclosed or divulged pursuant to an order of a court of competent jurisdiction) relating to the Principal Business, the identity of its customers, its products, finance, contractual arrangements, business or methods.

15.9 **Non-Solicitation:** Till such time any of the Investors hold any Equity Share in the Bank or this Agreement is terminated in accordance with Clause 17, the Core Promoter shall not, either independently or jointly, directly or indirectly, including through any of his Immediate Family Members or through its Affiliates, without prior written consent of the Investors, within the territory of India:

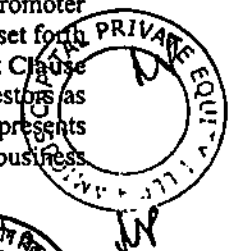
- (i) solicit or procure or assist the solicitation of or hire or attempt to hire or solicit the employment or engagement of any existing employee/ director/ consultant/ supplier/ client of the Bank, for himself or for any other Person;
- (ii) induce or attempt to induce any officer, director, or employee of the Bank to leave the employment or otherwise interfere in any manner with the contractual, employment or other relationship of such persons;
- (iii) tender for, canvass or solicit or attempt to tender for, canvass or solicit the business of or employment of any current client or customer of the Bank for any business competing with the Principal Business; and
- (iv) induce or attempt to induce any client, customer, vendor or supplier of the Bank to cease to deal with the Bank or otherwise interfere with the relationship between such client, customer or supplier and the Bank; or assist, influence, encourage or induce such action in any manner whatsoever.

Provided that this will not always apply to any Relative Affiliate of the Core Promoter unless that Relative Affiliate holds a Substantial Interest in a competing business or is an employee or office bearer of the Bank.

15.10 The Core Promoter acknowledge that the covenants and the obligations of the Core Promoter as set forth in Clauses 15.8 and 15.9 above are an essential element of this Agreement and that, but for the agreement of the Core Promoter to comply with these covenants, the Investors would not have entered into this Agreement. The Core Promoter acknowledges that Clauses 15.8 and 15.9 constitute an independent covenant in consideration (the sufficiency of which is hereby acknowledged by the Core Promoter) for which the Investors have agreed to invest in the Bank. Therefore, the covenants in Clauses 15.8 and 15.9 shall not be affected by the performance or non-performance of any other provision of this Agreement by the Investors. The Bank and the Core Promoter deem the Investment Amount to be adequate consideration for the obligations being taken up by the Core Promoter under Clauses 15.8 and 15.9 of this Agreement. The Core Promoter agrees that he has independently consulted his counsel in relation to the covenants set forth in Clause 15.8 or Clause 15.9 and in his personal opinion, the covenants set forth at Clause 15.8 or Clause 15.9 are no more extensive than is reasonable to protect the Investors as investors in the Bank and to protect the business of the Bank. The Core Promoter represents that his experience and knowledge will enable him to earn an adequate living in a business



Handwritten signature or initials.



other than a competing business and that injunctive relief will not prevent him from providing for himself and his family.

- 15.11 The Bank and the Promoters agree to comply fully and without demur in letter and in spirit with *inter alia* the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, as amended.
- 15.12 The Bank shall and the Promoters shall ensure that the Bank shall take adequate steps, on and from March 31, 2021, to lower its prudential exposure limits in the agricultural portfolio in the manner set out below:
- (i) The prudential exposure limit in the agricultural portfolio of the Bank which is presently 40% (Forty Percent) for the Financial Year ending on March 31, 2020 shall be reviewed by the Board in the beginning of each Financial Year.
 - (ii) The Bank and the Promoters hereby agree and acknowledge that any upward deviation to the prudential exposure limits in agricultural portfolio as approved by the Board in the beginning of each Financial Year shall require prior consent of each of the Investors.
- 15.13 The Promoters and each of the Investors shall, with respect to an agreed claim being a Diminution in Value Consequence on account of an interim order, in terms of Clause 9.9 of the SSA, the SSA 1 or the SSA 2 or as per the Addendum, as the case may be:
- (i) open and operate a separate Escrow Bank Account in accordance with the principles set out at Schedule VI (Escrow Arrangement) and consummate the transactions contemplated in the escrow agreement entered into between the Promoters, the relevant Investor and the escrow agent; and.
 - (ii) acting on a good faith basis and reasonably, agree upon the escrow agent and the escrow agreement within 45 (Forty Five) days of such amount being determined as an agreed claim. It is hereby clarified that, unless the Parties agree otherwise, a separate escrow agreement shall be entered into by the Promoters with each Investor and the escrow agent, which shall incorporate *inter alia* the principles set out at Schedule VI (Escrow Arrangement).

Provided however, if the Promoters do not fund the Escrow Bank Account within 45 (Forty Five) days of such amount being determined as an agreed claim, as required under Clause 9.9 of the SSA, the SSA 1 or the SSA 2 or as per the Addendum, as the case may be, then:

- (i) the Promoters shall (jointly and severally) remit such amount (along with any tax in terms of Clause 9.12 of the SSA, the SSA 1 or the SSA 2 or as per the Addendum, as the case may be) directly into the designated bank accounts of the relevant indemnified parties (or any indemnified party, as the case may be), immediately upon expiry of such period of 45 (Forty Five) days; and
 - (ii) the escrow mechanism set out in Clause 9.9 the SSA, the SSA 1 or the SSA 2 or as per the Addendum, as the case may be, and Schedule VI (Escrow Arrangement) shall not apply in such case.
- 15.14 With respect to the sale of Securities by the Investors, the Bank and the Promoters shall take all reasonable steps including but not limited to (i) facilitating due diligence by any potential acquirer(s) of such Securities, subject to such potential acquirer(s) executing relevant confidentiality agreements with the Bank; (ii) provide customary representations and warranties in relation to transactions of such nature, including representations and warranties in relation to the business of the Bank; and (iii) facilitating and obtaining

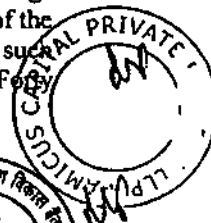


necessary Authorizations as may be required for such sale of Securities by the Investors. Without prejudice to the foregoing, the Bank and the Promoters agree to provide all necessary Transaction Assistance in connection with any sale of Securities by the Investors.

- 15.15 The Core Promoter acknowledges and agrees that the covenants and obligations set out in Clauses 15 and 13.3, relate to special, unique and extraordinary matters, and that a violation of any of the terms of such covenants and obligations by the Core Promoter and/ or its Affiliates will cause the Investors irreparable injury for which damages may not be adequate remedy. Therefore, the Bank and/or the Core Promoter agree that the Investors shall be entitled to an interim injunction, restraining order or such other equitable relief as a court of competent jurisdiction may deem necessary or appropriate to restrain the Core Promoter and/ or its Affiliates, from committing any violation of the covenants and obligations contained in this Clause 15 and Clause 13.3. These injunctive remedies are cumulative and are in addition to any other rights and remedies the Investors may have at law or in equity.
- 15.16 Within the earlier of: (i) 70 (Seventy) days of the Execution Date, (ii) 150 (One Hundred and Fifty) days of the SSA 1 Closing Date (or by such other date as may be mutually agreed among the Parties in writing), (iii) within 30 (Thirty) of the SSA 2 Closing Date, the Bank shall convene a Board meeting to approve the Restated Articles, and thereafter, within 5 (Five) days of such Board meeting having taken place, the Bank shall file an application with the RBI for approval of the Restated Articles. Within 45 (Forty Five) days of obtaining approval of the RBI for the Restated Articles, the Bank will conduct a meeting of the Shareholders to approve the Restated Articles.
- 15.17 The Parties acknowledge that in the event that Clause 15.16 of this Agreement is not complied with and given effect to, to the satisfaction of Amicus, Amicus will have all the rights available to it in Applicable Law and under the SSA 1.
- 15.18 Without prejudice to the other provisions of this Agreement, it is agreed that in the event of an Exit by all or any of the Investors or an Event of Default, the Bank and the Promoters will provide all necessary Transaction Assistance to the Investors.

16. EVENT OF DEFAULT

- 16.1 Each of the following shall be deemed to be an event of default on the part of Bank and the Core Promoter (the "Event of Default"):
- (i) material breach in any respect of any covenants, obligations, or other undertakings made by the Bank or the Core Promoter set out in the Agreement, which is incurable, or which if capable of being cured, is not cured within 30 (Thirty) days from the date of receipt of written notice from the Investors requiring such default to be cured;
 - (ii) breach in any respect of any representations and warranties made by the Bank or the Core Promoter which is incurable or which if capable of being cured, is not cured within 30 (Thirty) days from the date of receipt of written notice from the Investors requiring such default to be cured;
 - (iii) if the Core Promoter (or its agents, employees or representatives) commits fraud, malfeasance, gross negligence, wilful misconduct, theft or embezzlement;
 - (iv) if the Bank or the Core Promoter is in material default under any of the financings agreements, which results in receipt of a notice of event of default under any of the financing agreement entered into by the Bank or the Core Promoter, and such default has not been cured by the Bank and/or the Core Promoter within 45 (Forty Five) days of receipt of such notice;



- (v) voluntary or involuntary bankruptcy, receivership, assignment for the benefit of creditors or, acceleration of Third Party obligations of the Bank and/or the Core Promoter;
- (vi) any Governmental Authority or other authority (whether de jure or de facto) nationalizes, compulsorily acquires, expropriates or seizes all or any substantial part of the Principal Business of the Bank;
- (vii) any wilful action or omission by the Bank, the Promoters or their respective Affiliates which intentionally and materially impedes, prevents, unduly delays or otherwise interferes with the exercise of its rights by Investors under the Agreement or any other Transaction Document;
- (viii) occurrence of any event, litigation, arbitration or any other event arising out of a breach or default by the Bank, which has a Material Adverse Effect on the Bank;
- (ix) occurrence of any event, litigation, arbitration or any other event arising out of a breach or default by the Core Promoter, the Key Shareholders and/or their Affiliates associated with the Bank, which has a Material Adverse Effect on the Bank;
- (x) any wilful or knowing act or wilful omission by the Core Promoter which results, directly or indirectly, pursuant to Applicable Law or regulatory or disciplinary actions or investigation by any Governmental Authority, which materially prejudices or jeopardises the Bank, its Principal Business, including any material approval by any Government Authority (including RBI Approval) necessary to conduct the Principal Business;
- (xi) any wilful or knowing act or wilful omission by the Bank, Promoters (other than Core Promoter) or the Key Shareholders and/or any of their Affiliates, which results, directly or indirectly, pursuant to Applicable Law or regulatory or disciplinary actions or investigation by any Governmental Authority, which materially prejudices or jeopardises the Bank, its Principal Business, including any material approval by any Government Authority (including RBI Approval) necessary to conduct the Principal Business;
- (xii) material violation of any provisions of the Anti-Corruption Laws by (a) the Core Promoter; or (b) the Bank, except if such material violation by the Bank has occurred on account of the actions (or omissions) of an employee, consultant or officer of the Bank which were not sanctioned by the Core Promoter, the Board, a whole time director or any key managerial personnel (as defined in the Act) of the Bank;
- (xiii) breach or termination of any contract material to the Principal Business, caused by any wilful act or omission by the Bank, the Core Promoter, or Key Shareholders and/or any their Affiliates; and
- (xiv) revocation of any approval given by any Governmental Authority necessary for conduct of the Principal Business by the Bank.

16.2 Upon any Party becoming aware of the occurrence of an Event of Default, such Party shall have the obligation to promptly send a written notice to the other Parties (the "Default Notice") intimating such other Parties of the Event of Default that has occurred and loss if any suffered by such Party.

16.3 Notwithstanding anything elsewhere contained in this Agreement, where an Event of Default has occurred and is continuing, and is capable of being cured, the Bank and/or the Core Promoter shall, remedy the default within 45 (Forty Five) days of the date on which the default first occurred.



16.4 Subject to Clause 16.3 above, in the period ending 45 (Forty Five) days after the date of receipt of a Default Notice by the Party of an Event of Default, subject to Applicable Laws, the Investors shall be entitled to, any or all of the following rights.

16.4.1 Consequence of Event of Default

In case of an Event of Default, the Investors shall have the rights and remedies that the Investors may have under contract or in law. In addition, all obligations of the Investors under the Transaction Documents shall fall away in case of an Event of Default and the rights shall continue in terms of and subject to this Agreement and the Investors will be allowed to Transfer the Investor Shares to any other entity / Third Party without any restrictions whatsoever.

16.4.2 Consequences of Event of Default under Clause 16.1

(i) In case of an Event of Default under Clauses 16.1(iii), 16.1(ix), 16.1(x) and 16.1(xii) in addition to the rights set out in Clause 16.4.1, the Investors shall have the following rights:

(a) Default Put Option

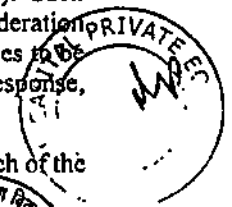
(A) Within a period not exceeding 60 (Sixty) Business Days from the date on which any Investors issue the Default Put Notice (the "Default Put Option") or such extended period due to any approval pending from the Governmental Authority vis-à-vis such Investor, each of the Investors shall have the right (but not the obligation) to require the Core Promoter and/or its Affiliates, as appropriate and permitted by Applicable Law, to purchase or procure to purchase, all or in part (as specified by such Investor), the Securities held by it or its Affiliate (the "Default Put Securities") such that such Investor shall receive the higher of (A) Exit Valuation; or (B) an amount which provides an 18% (Eighteen Percent) IRR on the Investment Amount, (the "Default Put Price").

(B) To exercise its right of Default Put Option, the Investor shall issue to the Core Promoter and the Bank, a written notice (the "Default Put Notice"), intimating the Core Promoter and the Bank of its decision to exercise the Default Put Option. A copy of such Default Put Notice shall also be sent by the Investor issuing such notice to each of the other Investors. The Default Put Notice shall specify the number of Securities held by such Investor and/or their Affiliate and proposed to be Transferred to the Core Promoter pursuant to this Clause 16.4.2(i)(a) and the aggregate consideration payable by the Core Promoter for purchase of the Default Put Securities, calculated as per Clause 16.4.2(i)(a)(A) above. Within 30 (thirty) days from the receipt of the Default Put Notice (the "Default Put Response Period"), each of the other Investors shall intimate in writing to each of the other Investors, the Bank and the Core Promoter if they are interested in selling their respective Securities along with the number of Securities they are willing to sell (the "Default Sale Response"). Such Default Sale Response shall also state the aggregate consideration payable by the Core Promoter for purchase of the Securities to be sold by such Investors as set out in the Default Sale Response, calculated as per Clause 16.4.2(i)(a)(A) above

The sale and purchase of the Default Put Securities and each of the



Handwritten signature.



Securities of the Investors as set out in the Default Sale Response shall be completed within a period not exceeding 150 (One Hundred and Fifty) Days from the Default Put Response Period or such extended period due to any approval pending from the Governmental Authority (the "Default Put Exercise Date").

(D) On the Default Put Exercise Date, the Investors shall, upon receipt of the Default Put Price from the Core Promoter by way of a wire transfer to the designated bank account of the Investors or such other medium as may be mutually agreed between the Parties in writing, Transfer to the Core Promoter, the Default Put Securities and each of the Securities of the Investors as set out in the Default Sale Response and the share transfer forms duly executed by it in relation to such Default Put Securities and each of the Securities of the Investors as set out in the Default Sale Response. The stamp duty payable on such share transfer forms for effecting the Transfer of the Default Put Securities and each of the Securities of the Investors as set out in the Default Sale Response in favour of the Core Promoter shall be paid by the Core Promoter. In the event that the Default Put Securities and each of the Securities of the Investors as set out in the Default Sale Response are in dematerialized form, the Investors shall issue irrevocable instructions to its depository participant to Transfer the Default Put Securities and each of the Securities of the Investors as set out in the Default Sale Response to a securities account(s) designated to the Core Promoter.

(E) The Core Promoter and the Bank shall provide the Investors with such reasonable assistance and support, as may be requested for by the Investors to achieve the Transfer of the Default Put Securities and each of the Securities of the Investors as set out in the Default Sale Response pursuant to this Clause 16.4.2(i)(a), including providing relevant information in relation to the Bank as may be required by the Investors for obtaining any governmental Approvals, including of the SEBI and RBI. It is clarified herein that in the event of requirement of procuring of Authorizations by the Investors, the Default Put Exercise Date shall be extended by such period as is equivalent to the period of procuring of the Authorizations. Without prejudice to the foregoing, it is agreed that the Core Promoter, the Bank and the Promoters shall provide all necessary Transaction Assistance to the Investors in connection with the consummation of the sale of Securities of the Investors contemplated under Clause 16.4.2(i)(a).

(b) Drag Right

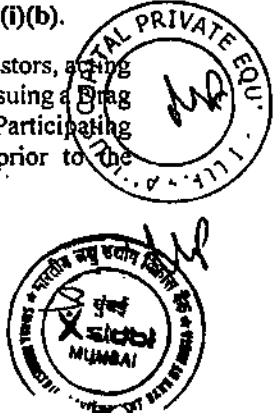
(A) In the event the Core Promoter fails to purchase any of the Default Put Securities and each of the Securities of the Investors as set out in the Default Sale Response held by the Investors within 60 (Sixty) Days of the Default Put Exercise Date (the "Default Put Securities Period") other than on account of delay pursuant to Clause 16.4.2(i)(a)(E), then the Investors may, acting jointly or independently, by a notice to the Bank and the Core Promoter (the "Drag Right Trigger Notice"), require the Core Promoter to sell all or some of the Core Promoter Securities to a Third Party purchaser along with all the Securities held by the Investors and/or



their Affiliates in the Bank at that time, subject to compliance with the applicable pricing guidelines prescribed under the Applicable Law (the "Drag Right"), at any time prior to the expiry of 180 (One Hundred and Eighty) days from the completion of the Default Put Securities Period. Provided that the number of Core Promoter Securities to be sold pursuant to this Clause 16.4.2(b) will be restricted to the shortfall in the amount to be received by the Investors as calculated as per Clause 16.4.2(i)(a)(A). Where the Drag Right Trigger Notice is issued by an Investor exercising the Drag Right in its individual capacity, the Drag Trigger Right Notice must also be sent to the other Investors, who shall have the right but not the obligation to participate in the exercise of the Drag Right (the "Participating Investor"). It is clarified for avoidance of doubt that, (i) as part of the exercise of the Drag Right, the Investors and/or their Affiliates shall be required to offer to sell to the Third Party purchaser all the Securities of the Bank held by them at that time; and (ii) the Investor shall only have the Drag Right under this Clause 16.4.2(i)(b) if: (a) the Core Promoter fails to purchase any of the Default Put Securities and each of the Securities of the Investors as set out in the Default Sale Response held by the Investors within the Default Put Securities Period at the Default Put Price, other than on account of delay pursuant to Clause 16.4.2(i)(a)(E); and (b) the Drag Right Trigger Notice is issued within expiry of 180 (One Hundred and Eighty) days from the completion of the Default Put Securities Period.

(B) Within 7 (Seven) Business Days from the receipt of the Drag Right Trigger Notice, the Participating Investor may by a written notice addressed to the Investor issuing the Drag Right Trigger Notice, the Bank and the Core Promoter communicate its willingness to participate in the exercise of the Drag Right (the "Participating Investor Notice"). It is clarified that the Participating Investor's right to participate in the exercise of the Drag Right shall be (X) for up to the entire shareholding of the Participating Investor in the Bank if the Investor issuing the Drag Right Trigger Notice is selling its entire shareholding to the Third Party purchaser, or (Y) *pro rata* to the number of Securities of the Bank held by it at the time of the issue of the Drag Right Trigger Notice (viz-a-viz the number of Securities of the Bank the Third Party purchaser finally agrees to acquire), if the Third Party purchaser is unable to purchase the entire shareholding of the Investor (for any reason whatsoever) despite the Investor having offered to sell its entire shareholding in the Bank to the Third Party purchaser. It is also clarified that if the Participating Investor chooses not to participate in the exercise of the Drag Right (by either stating so in the Participating Investor Notice or failing to issue the Participating Investor Notice in the manner and within the timeline prescribed in this Clause 16.4.2(i)(b)(B)), the exercise of the Drag Right by the Investor shall not stand obstructed or invalidated and shall proceed in the manner contemplated in Clause 16.4.2(i)(b).

(C) The Drag Right shall be exercisable by any of the Investors, acting independently or jointly with the other Investors, by issuing a Drag Right Trigger Notice to the Core Promoter and the Participating Investor if applicable, at least 15 (fifteen) days prior to the



proposed Transfer, which shall state (i) the Investor's intention to exercise the Drag Right; (ii) the number of Core Promoter Securities proposed to be Transferred in the event only the Investor issuing the Drag Right Trigger Notice will exercise its Drag Right, as well as the number of Core Promoter Securities proposed to be Transferred if the Investor issuing the Drag Right Trigger Notice and the Participating Investor will both exercise their Drag Rights (the "Promoter Drag Securities"); (iii) details of the Third Party to whom the Securities are proposed to be Transferred; (iv) the number of Securities held by the Investors and/or their Affiliates to be Transferred to the relevant Third Party purchaser; (v) the price at which the Third Party has offered to acquire the Securities (including the Promoter Drag Securities); and (vi) other terms and conditions offered by the Person to whom the Securities are proposed to be Transferred.

- (D) The Core Promoter shall Transfer the Promoter Drag Securities to the Third Party against receipt of the sale consideration for such Transfer as specified in the Drag Right Trigger Notice within 15 (Fifteen) Business Days of receiving the Drag Right Trigger Notice, and the Participating Investor Notice where the Drag Right Trigger Notice has been sent by an Investor acting in its individual capacity (the "Drag Right Exercise Date").
- (E) It is clarified that the Core Promoter and the Bank shall provide the Third Party purchaser with all information relating to the Bank that is relevant to the transaction subject to the provisions of confidentiality. The Core Promoter and the Bank may be required to provide representations, warranties, covenants or undertakings and indemnification that are standard and customary transactions of this nature. Further, the Core Promoter shall be required to incur any expenses (including payment of stamp duty for the Transfer) or incur any other reasonable obligations to the Third Party purchaser. It is agreed between the Parties, that the Investors Transferring their Securities held by them or their Affiliate pursuant to this Clause 16.4.2(i)(b), are entitled to the consideration payable for the Promoter Drag Securities by the Third Party purchaser and the Core Promoter shall do all things necessary for such payment to be made to the Investors.
- (F) The Core Promoter and the Bank shall provide the Investors with such reasonable assistance and support as may be requested for by the Investors to achieve the Transfer of the Securities held by them or their Affiliate, including providing relevant information in relation to the Bank as may be required by the Investors for obtaining any Authorizations, including of the SEBI and RBI. It is clarified herein that in the event of requirement of procuring of Authorizations by the Investors, Promoters or the Bank, the Drag Right Exercise Date shall be extended by such period as is equivalent to the period of procuring of the Authorization. Without prejudice to the foregoing, it is agreed that the Core Promoter, the Bank and the Promoters shall provide all necessary Transaction Assistance to the Third Party purchaser in connection with the consummation of the Drag Right under Clause 16.4.2(i)(b).

The Parties agree that if the exercise of the Drag Right in the



manner contemplated in Clause 16.4.2(i)(b) is not fully consummated (i.e., does not provide a complete exit from the Bank to all Investors participating in such exercise of the Drag Right) for any reason whatsoever, except on account of the Investors having elected to not exit the Bank completely despite (X) the Third Party purchaser having offered to purchase all the Securities held by the Investors on terms acceptable to the Investors, and (Y) the Core Promoter, the Bank and the Promoters having fully discharged all their obligations under Clause 16.4.2(i)(b), then the Investors will continue to be entitled to the Drag Right in the manner contemplated in Clause 16.4.2(i)(b) (even after the initial exercise and consummation of the Drag Right by such Investors) and will be able to exercise it afresh, again, until such Investors are provided a complete exit from the Bank in the manner contemplated in Clause 16.4.2(i)(b).

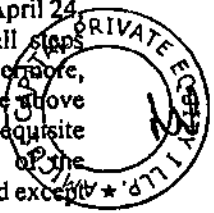
(c) Trigger Events

(A) Each of the following shall be considered trigger events for the Bank (the "Trigger Events"):

- (1) the Investors are unable to find a Third Party purchaser within 3 (Three) months of Default Put Exercise Date,
- (2) the Core Promoter fails to Transfer the Promoter Drag Securities to the Third Party against receipt of the sale consideration within 21 (twenty one) days of the Drag Right Trigger Notice, other than: (i) on account of delay in obtaining any Authorization pursuant to Clause 16.4.2(b)(F); or (ii) the Investors not selling the relevant Securities held by the Investors and/or their Affiliates, to the Third Party purchaser concerned in terms of Clause 12 where such offer by the Third Party is at a price which is the higher of (i) Exit Valuation; or (ii) an amount which provides an 18% (Eighteen Percent) and / or 21% (Twenty One Percent) IRR (as the case may be) on Investment Amount;
- (3) the Securities held by the relevant Investor(s) are not purchased by a Third Party or the Core Promoter within 5 (Five) months of date of the Default Put Response Period.

(B) On occurrence of any Trigger Event, the Investors shall, subject to the Applicable Law, have the right to require the Core Promoter and its Affiliates to cease to be an employee or director of the Bank.

(ii) The Investors agree and acknowledge that the steps/actions under this Clause 16.4.2 may be subject to consent from the RBI, including but not limited to the stipulation of lock-in of the Promoter Group's shareholding for a period of 5 (Five) years from the date of commencement of Business of the Bank i.e. April 24, 2016. In this regard, the Bank and the Core Promoter agree to take all steps necessary to obtain such consent in expeditious and timely manner. Furthermore, the Bank and the Core Promoter shall act in good faith to ensure that the above provisions of this Clause 16 given effect to, and agree to provide all requisite undertakings, assurances and documentation in this regard. A breach of the obligations contained hereunder by the Bank or the Core Promoter (save and except



[Handwritten mark]

[Handwritten signature]

[Handwritten signature]

for such breach of this contractual obligation following from the absence or refusal of requisite consent by the RBI shall be considered a 'material breach' of obligations by the Bank / Core Promoter, as the case may be, under this Agreement.

17. TERM AND TERMINATION

- 17.1 This Agreement shall become effective in accordance with Clause 3 and shall be in full force and effect until the exit of the Investors from the Bank or terminated earlier in accordance with the provisions contained in this Clause 17.
- 17.2 This Agreement may be terminated at any time after the Execution Date based on the mutual written consent of the Promoters and the Investors.
- 17.3 This Agreement shall terminate in respect of an Investor immediately upon (i) such Investor or any of its Affiliates ceasing to hold any Securities of the Bank or (ii) such Investor electing to hold any Securities of the Bank after the successful exercise of its Drag Right despite (a) the Third Party purchaser (in terms of Clause 16.4.2(i)(b)) having offered to purchase all the Securities of the Bank held by the Investors participating in the sale, on terms acceptable to such Investors, and (b) the Core Promoter, the Bank and the Promoters having fully discharged all their obligations under Clause 16.4.2(i)(b), provided always that the termination of this Agreement in respect of an Investor in accordance with this Clause 17.3 will be without prejudice to the rights of the other Investor under this Agreement and this Agreement shall continue in full force and effect in respect of such other Investor.
- 17.4 Without derogating from the generality of Clause 17.3 above, where the shareholding of the Investors or the Investor Rights Assignee as the case may be falls below 2% (Two Percent) of the equity share capital on a Fully Diluted Basis, the Investors or the Investor Rights Assignee, as the case may be, will forthwith cease to have any and all rights set out at Clause 5 except when the Promoters and, or, the Bank have not fully discharged all of their obligations under this Agreement in respect of providing a complete Exit to the Investor and such relevant Investor continues to hold more than 1% (One Percent) of the equity share capital of the Bank on a Fully Diluted Basis.
- 17.5 It is agreed that the Investors will cease to have all the rights under this Agreement once the Equity Shares are listed on a Recognised Stock Exchange pursuant to the QIPO.
- 17.6 Clauses 1 (Definitions), 4 (Representations and Warranties), 17.6 (Survival), 18 (Confidentiality), 19 (Notices), 20 (Governing Law, Dispute Resolution and Jurisdiction), 21 (Severability of Provisions), 24 (Remedies) and 25 (Specific Performance) shall survive the termination of this Agreement.
- 17.7 Notwithstanding anything contained above, termination of this Agreement shall not preclude any and all rights that are accrued to the Parties to this Agreement prior to such termination.

18. CONFIDENTIALITY

- 18.1 Subject to Clause 18.2 below, each Party (the "Receiving Party") agrees with the others that it will keep confidential and shall not disclose to any Person any Confidential Information, which it holds or receives from any Party (the "Disclosing Party"), and shall use its reasonable efforts to ensure that its directors, officers, managers, employees, Affiliates, legal, financial and professional advisors and bankers to whom Confidential Information is made available do not reveal to any Third Party any Confidential Information without the prior written consent of the Disclosing Party, as the case may be.
- 18.2 The Receiving Party may disclose Confidential Information:



- (i) to the extent that the Confidential Information is publicly available and not by way of a breach of an obligation to keep such information confidential;
- (ii) already known or already in the lawful possession of the Receiving Party as of the date of its disclosure by the Disclosing Party;
- (iii) that may be required or appropriate in response to any litigation or potential litigation, provided that the Receiving Party will use reasonable efforts to notify the Disclosing Party of such information in advance of such disclosure so as to permit the Disclosing Party of such information to seek a protective order or otherwise contest such disclosure, and the Receiving Party will use reasonable efforts to cooperate, at the expense of such provider, with such provider in pursuing any such protective order;
- (iv) to its Affiliates, employees, professional advisors, officers, representatives, fund, trustees, contributors, board of directors, shareholders, investment committee members, lenders, prospective transferees, auditors, limited partners, prospective investors, but only to the extent necessary on a "need to know" basis in connection with the investment in the Bank and subject to such Persons agreeing to accept an equivalent confidentiality obligation to that set out in this Clause 18; or
- (v) to Persons from whom releases, consents or approvals are required, or to whom notice is required to be provided, pursuant to the transactions contemplated by the Transaction Documents.

18.3 Notwithstanding any other provisions of this Agreement, the terms and conditions of this Agreement may be disclosed by the Parties to their respective investors (or prospective investors), professional advisors or limited partners (or prospective limited partners), provided that, in each case, the Person to whom such Confidential Information is disclosed undertakes to keep it confidential.

19. NOTICES

19.1 Any notice, request or communication pursuant to this Agreement shall be in writing signed by (or by some person duly authorised by) the person giving it. Any such communication shall be delivered by hand, established courier service, registered post or email to the Party to which it is required or permitted to be given or made at such Party's address/email specified below. The notice shall be effective upon the earlier of (i) actual receipt and (ii) deemed receipt under Clause 19.2 below:

If to the Promoters

Attn : Dinesh Gupta
 Address : 47, Defence Colony, Jalandhar - 144001
 Telephone : +91 98151 64949
 Email id : dineshgupta.cs@gmail.com

If to the Core Promoter

Attn : Sarvjit Singh Samra
 Address : 182 New Jawahar Nagar, Jalandhar city - 144 001
 Telephone : +91 98722 66022
 Email id : ssamra@capitalbank.co.in

If to the Bank



[Handwritten signature]



Attn : Munish Jain, Chief Operating Officer
Address : Midas Corporate Park, 3rd Floor, 37, G.T Road, Jalandhar 144 001, India
Telephone : +91 98152 55558
Email id : investorrelations@capitalbank.co.in; and munishjain@capitalbank.co.in

If to the Key Shareholders

Attn : Amarjit Singh Samra
Address : 182, New Jawahar Nagar, Jalandhar – 144001
Telephone : +91 98722 66022
Email id : mail@ssamra.com

If to Existing Investor A

Attn : B.L. Gaggar
Address : 102, 10th Floor, Maker Chambers III, Nariman Point, Mumbai – 400 021, Maharashtra, India
Telephone : +91 22 4057 0300
Email id : blg@rnilindia.com

If to Existing Investor B

Attention : Regional Head, SIDBI, Chandigarh Regional Office
Address : SCO 145-146, 1st Floor & 2nd Floor, Sector 17C, Chandigarh - 160017
Telephone : +91 172 500 0652

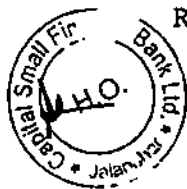
Attention : General Manager, SIDBI Mumbai Office
Address : Swavalamban Bhavan, C-11, G- Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051
Telephone : +91 22 6722 1270

To ACPE:

Attention : Mr. Sunil Theckath Vasudevan
Address : 4th Floor, Rocklines House 9/1, Museum Road, Bangalore–560 001
Telephone : +91 80 4631 6666
Email : sunil@amicuscapital.in

With a copy to J. Sagar Associates as advisors to the ACPE:

Address : J. Sagar Associates Advocates and Solicitors, Vakils House, 18
Road, Ballard Estate, Mumbai– 400001, India



Ph: +91 22 4341 8600

Fax: +91 22 4341 8617

Email: vikram@jsalaw.com

For the attention of: Vikram Raghani

To ACPIF:

Attention : Mr. Mahesh Parasuraman

Address : C/o Amicus India Capital Partners LLP, 3rd Floor, Rocklines House 9/1,
Museum Road, Bangalore – 560 001

Telephone : +91 80 4631 6666

Email : mahesh@amicuscapital.in

With a copy to J. Sagar Associates as advisors to the ACPIF:

Address : J. Sagar Associates Advocates and Solicitors, Vakils House, 18 Sprott
Road, Ballard Estate, Mumbai– 400001, India

Ph: +91 22 4341 8600

Fax: +91 22 4341 8617

Email: vikram@jsalaw.com/

For the attention of: Vikram Raghani

If to OIJIF

Attn : Srinath S, Authorised Signatory

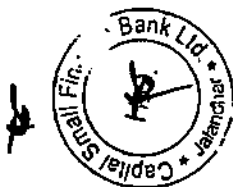
Address : One Indiabulls Centre, Unit 1101, Tower 2A, 841,
S.B. Marg, Elphinstone (W), Mumbai – 400 013, India

Telephone : +91 22 2421 0760 / +91 22 2421 00018

Email id : srinaths@oijif.com; ajay.limaye@oijif.com; shrikanth@oijif.com

19.2 Unless there is reasonable evidence that it was received at a different time, notice pursuant to this Clause 19 is deemed given if: (i) delivered by hand, when left at the address referred to in Clause 19.1; (ii) sent by established courier services or registered post within a country, 3 (Three) Business Days after posting it; (iii) sent by established courier service between 2 (Two) countries, 6 (Six) Business Days after posting it; and (iv) sent by email, when email addressed to the intended recipient at its address set forth herein is sent and a delivery notification is received, provided that the Party sending the notice shall also deliver the same by established courier service, registered post or hand deliver to the receiving Party at its address mentioned in this Clause 19.

19.3 In the event any notice, request or communication pursuant to this Agreement is delivered by email, such an email shall be followed by delivery of such notice, request or communication by an established courier service, hand post or registered post.



Handwritten initials 'MP'.

19.4 A Party may by a notice of 10 (Ten) days to the other Parties change the address, or email details at which notices and communications shall be given under this Clause 19.

20. GOVERNING LAW, DISPUTE RESOLUTION AND JURISDICTION

20.1 This Agreement shall be governed by, and construed in accordance with, the laws of India.

20.2 If any dispute arises between the Parties hereto in connection with or arising out of the validity, interpretation, implementation, termination or alleged breach of any provision of, or based on any matter arising out of or in connection with, this Agreement or any Transaction Document, or the transactions contemplated hereby or thereby (the "Dispute"), the Parties hereto shall endeavour to negotiate and settle such dispute amicably and escalate the matter for resolution to the level of their respective chief executive officer or equivalent person. If a Party gives the other Parties notice that such a Dispute has arisen and the Parties to such Dispute (the "Disputing Parties") are unable to resolve the Dispute amicably within 30 (Thirty) days of such notice, the attempt to bring about an amicable settlement shall be considered to have failed.

20.3 The arbitration shall be in accordance with the Arbitration and Conciliation Act, 1996 in force at the relevant time (which is deemed to be incorporated into this Agreement by reference) and subject to this Clause 20.3, the courts at Mumbai, India shall have jurisdiction in relation to the Dispute.

20.4 All proceedings of such arbitration shall be in the English language.

20.5 The seat, venue and place of the arbitration shall be Mumbai, India.

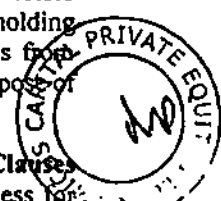
20.6 The arbitration panel shall consist of 3 (Three) arbitrators. Each Disputing Party shall be entitled to nominate 1 (One) arbitrator, and the two arbitrators appointed by the Disputing Parties shall appoint 1 (One) arbitrator. It is clarified that if the Investors are a Disputing Party on the one hand (the "Disputing Investors"), and the Promoters and/or the Bank are a Disputing Party on the other hand, then: (i) the Promoters and/or the Bank as applicable, shall collectively be considered as a single Disputing Party and shall be entitled to collectively appoint only 1 (One) arbitrator; and (ii) the Disputing Investors shall be collectively considered as a single Disputing Party and shall be entitled to collectively appoint only 1 (One) arbitrator in the manner set out in Clause 20.7.

20.7 The Investors agree that the appointment of the arbitrator pursuant to Clause 20.6(ii) by the Disputing Investors shall be made in the following manner:

i. All the Disputing Investors shall unanimously appoint the arbitrator within 30 (Thirty) Days of the failure of the attempt to amicably settle the Dispute in accordance with Clause 20.2;

ii. If the Disputing Investors fail to appoint an arbitrator in the manner set out in Clause 20.7(i), then within 15 (Fifteen) Days thereof, the Disputing Investors shall with the written consent of the majority of the Disputing Investors, appoint an arbitrator, provided the dissenting Disputing Investor(s) do not have any existing or potential conflict of interest with the shortlisted arbitrator. In case of any such conflict, the dissenting Disputing Investor(s) shall in writing provide sufficient reasons for such conflict of interest, to the other Disputing Investors. The Investors agree that for the purpose of this Clause 20 an Investor and its Affiliates holding Securities shall be entitled to cast only 1 (one) vote i.e. multiple entities from the same group holding Securities shall jointly have 1 (one) vote for the purpose of this Clause 20.

iii. If the Disputing Investors fail to appoint an arbitrator in accordance with Clause 20.7(i) and 20.7(ii) then the Disputing Investors shall initiate the process for



appointment of an arbitrator in accordance with the procedure set out at Clause 20.7(ii) and shall complete the appointment within 15 (Fifteen) Days of the expiry of the period referred at Clause 20.7(ii); and

iv. If the Disputing Investors have not appointed an arbitrator in accordance with Clauses 20.7(i), 20.7(ii) and 20.7(iii), then such arbitrator shall be appointed in accordance with Section 11 of the Arbitration and Conciliation Act, 1996.

20.8 Each Party agrees that no Party shall have any right to commence or maintain any suit or legal proceedings in any court of competent jurisdiction with respect to any Dispute, other than for: (i) interim reliefs with respect to the arbitration proceedings, if permitted by Applicable Law; or (ii) for enforcement of any arbitral award rendered in the arbitration pursuant to Clause 20.9.

20.9 Any arbitration award rendered shall be final, binding and not subject to any form of appeal save and except to the extent permitted by Applicable Law.

20.10 The existence of a Dispute, or the commencement or continuation of arbitration proceedings shall not, in any manner, prevent or postpone the performance of those obligations of Parties under the Agreement which are not in dispute.

20.11 The arbitration proceedings and all matters pertaining to the arbitration and all documents and submissions made therein pursuant to this Clause 20 shall be strictly confidential and subject to the provisions of Clause 18.

20.12 The non-prevailing party shall be required to bear the costs of the arbitration proceedings including the fees and expenses of the arbitrators and the costs of preparing and presenting the prevailing party's case including attorney's fees and expenses.

21. SEVERABILITY OF PROVISIONS

The invalidity or unenforceability of any term, phrase, clause, paragraph, restriction, covenant, agreement or other provisions hereof shall in no way affect the validity or enforcement of any other provision, or any part thereof. Notwithstanding the foregoing, the Parties shall thereupon negotiate in good faith in order to agree the terms of a mutually satisfactory provision, achieving as nearly as possible the same commercial effect, to be substituted for the provision so found to be void or unenforceable.

22. BINDING EFFECT AND INVALIDITY

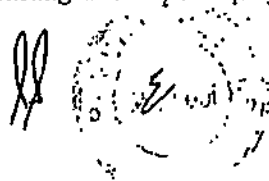
All terms and conditions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the legal representatives and assigns of the Parties.

23. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Parties hereto and, with effect from the Execution Date, supersedes any previous agreements understanding, arrangement or promises, whether written or oral between the Parties whether oral or in writing regarding the subject matter hereof. It is specifically agreed among the Parties that, with effect from the Execution Date, all provisions of the Existing SHA as amended by the Accession Deed (except the surviving provisions as contained in Clause 17.5 of the Existing SHA) shall stand terminated and shall cease to have any effect whatsoever.

24. REMEDIES

No remedy conferred by any of the provisions of this Agreement is intended to be exclusive of any other remedy which is otherwise available at Law, in equity, by statute or otherwise and each and every other remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at Law, in equity, by statute or



otherwise. The election of any one or more of such remedies by a Party shall not constitute a waiver by such Party of the right to pursue any other available remedies.

25. SPECIFIC PERFORMANCE

The Parties agree that damages may not be an adequate remedy and the Parties shall be entitled to an injunction, restraining order, right for recovery, suit for specific performance or such other equitable relief as a court of competent jurisdiction may deem necessary or appropriate to restrain the other Party from committing any violation or enforce the performance of the covenants, representations and obligations contained in this Agreement. These injunctive remedies are cumulative and are in addition to any other rights and remedies the Parties may have at law or in equity, including without limitation a right for damages.

26. PRIVACY OF CONTRACT

The terms of this Agreement may only be enforced by a Party to this Agreement.

27. NO PARTNERSHIP OR AGENCY

Nothing in this Agreement shall be deemed to constitute a partnership between the Parties or constitute any Party the agent of any other Party for any purpose or entitle any Party to commit or bind any other Party in any manner or give rise to fiduciary duties by one Party in favour of any other. Nothing in this Agreement shall be interpreted or construed to create an association or partnership between the Parties or to impose any liability attributable to such relationship upon any of the Parties nor, unless expressly provided otherwise, to constitute any Party as the agent of any of the other Parties for any purpose. No Party has the power or the right to bind, commit or pledge the credit of any other Party.

28. ASSIGNMENT

The Promoters and the Bank shall not be entitled to assign or transfer or purport to assign or transfer any of its rights or obligations under this Agreement except with the prior written consent of the Investors, except to the extent specifically provided for herein. The Investors may assign any or all of its rights and obligations under this Agreement in accordance with the terms hereof to any Third Party by providing 7 (seven) days prior written notice to the Bank.

29. WAIVER OF RIGHTS

No waiver by a Party of a failure or failure by any other Party to this Agreement to perform any provision of this Agreement shall operate or be construed as a waiver in respect of any other or further failure whether of a like or different character. No waiver of any of the terms or conditions hereof shall be valid or binding unless made in writing and duly executed by or on behalf of the relevant Party. No waiver of any breach of any provision of this Agreement shall be effective or binding unless made in writing and signed by the Party purporting to give the same and, unless otherwise provided in the written waiver, shall be limited to the specific breach waived.

30. AMENDMENTS

This Agreement may be amended only by an instrument in writing signed by the Promoters, Investors and the duly authorised representative of the Bank. In the event that this Agreement is amended in accordance with this Clause 30, the Charter Documents shall also be altered to incorporate the provisions of such amended agreement, and for this purpose and to this end, the Parties shall cooperate in taking all steps necessary or required under and in accordance with the Act.



31. COUNTERPARTS

This Agreement may be entered into in two or more counterparts each of which, when executed and delivered, shall be an original, but all the counterparts shall together constitute one and the same instrument. Any Party may execute this Agreement by signing any one or more of such originals or counterparts. Electronic or where available, facsimile transmission of an executed signature page of this Agreement by a Party shall constitute due execution of this Agreement by such Party. An electronic or facsimile copy of this Agreement shall be sufficient evidence of the execution hereof.

32. FURTHER ASSURANCE

32.1 The Core Promoter shall do and execute and perform all such further deeds, documents, assurances, acts and things as may reasonably be required to give effect to the terms of this Agreement.

32.2 Each of the Parties shall exercise all such rights and powers as are available to it to take, or cause to be taken, such actions, and do, perform, execute and deliver, or cause to be done, performed, executed and delivered, all acts, deeds and documents necessary, proper or advisable to ensure compliance with and to fully and effectually implement the provisions of this Agreement and the other Transaction Documents, as promptly as reasonably possible. Without limiting the generality of the foregoing, the Promoters and the Key Shareholders shall exercise all such rights and powers as are available to them to cause the Bank to lawfully take all actions required to be taken by the Bank in terms of this Agreement.

33. PARTIES CONSENSUS

33.1 The Parties agree that they have understood the terms and conditions of this Agreement in its entirety and have obtained advice from their respective advisors and further acknowledge and agree:

33.2 that the rights, restrictions and covenants of the Parties as contained in this Agreement reflect the commercial discussions and agreement between the Parties; and

33.3 that they have discussed all the terms and conditions as contained herein with their advisors and find these no more extensive than is reasonable to protect the Investors as subscribers and purchasers of Investor Shares and to protect the Promoters and the Business of the Bank.

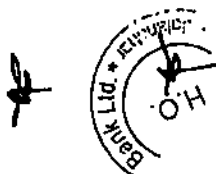
34. COST AND EXPENSES

34.1 Subject to Clause 34.2 below, each Party shall bear its own costs and expenses relating to this Agreement and the transactions contemplated herein.

34.2 Notwithstanding Clause 34.1 above, the Bank shall be responsible for the payment of any and all stamp duties related to the execution of this Agreement and the other Transaction Documents including without limitation the share certificates to be issued to the Investors.

34.3 All costs and expenses for Transaction Assistance in relation to (i) QIPO, shall be borne as per Applicable Law; and (ii) Exit in terms of Clauses 12.3 and 12.5, shall be borne by the Bank.

34.4 All costs and expenses for due diligence (legal and financial), if any, conducted by a purchaser for the sale of Investor Shares in terms of Clauses 15.4 and 16.4.2 shall be borne by the Bank provided that the Bank shall only bear such costs and expenses: (i) if the Investor sells the Investor Shares in one tranche which exceeds 2% (Two Percent) of the paid-up equity share capital of the Bank; and (ii) subject to a total cap of up to INR 30,00,000 (Rupees Thirty Lakhs Only) per Investor during the term of this Agreement.



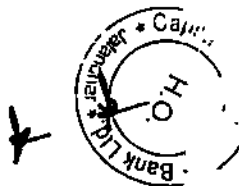
88



35. **INDEPENDENT COUNSEL**

The Parties have participated jointly in negotiating and drafting this Agreement. In the event of any ambiguity or question of intent or interpretation arising in relation to this Agreement, the provisions thereof shall be construed as if this Agreement has been drafted jointly by the Parties, and no presumption or burden of proof shall arise favouring or disfavouring any Party by virtue of the authorship of any provisions of this Agreement. The Parties agree that they have independently consulted their respective counsel in relation to the execution of this Agreement and the consummation of the transactions contemplated herein.

(REMAINDER OF THE PAGE INTENTIONALLY LEFT BLANK. SIGNATURE PAGES FOLLOW.)




A handwritten signature.

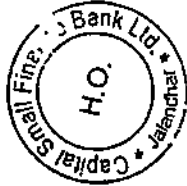


(This signature page forms part of the Shareholders' Agreement dated November 7, 2019 amongst Capital Small Finance Bank Limited, Pi Ventures LLP, Small Industries Development Bank of India, Amicus Capital Private Equity I LLP, Amicus Capital Partners India Fund I, Oman India Joint Investment Fund II, the Promoters, Promoter Group and the Key Shareholders)

IN WITNESS WHEREOF, the Parties have entered into this Agreement the day and year first above written.

For CAPITAL SMALL FINANCE BANK LIMITED

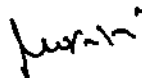






Authorised signatory

Name: Sarvjit Singh Samra

Witnessed by:


(Munish Jain)

(THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK)











(This signature page forms part of the Shareholders' Agreement dated November 7, 2019 amongst Capital Small Finance Bank Limited, Pi Ventures LLP, Small Industries Development Bank of India, Amicus Capital Private Equity I LLP, Amicus Capital Partners India Fund I, Oman India Joint Investment Fund II, the Promoters, Promoter Group and the Key Shareholders)

IN WITNESS WHEREOF, the Parties have entered into this Deed of Amendment the day and year first above written.

For PI VENTURES LLP





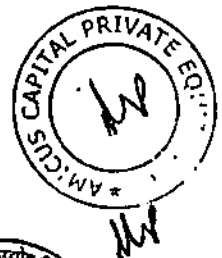
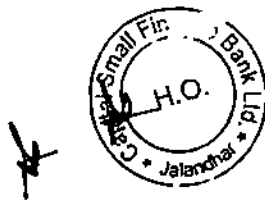
Authorised Signatory

Name: MOHIT VERMA

Witnessed by:



(THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK)







(This signature page forms part of the Shareholders' Agreement dated November 7, 2019 amongst Capital Small Finance Bank Limited, Pi Ventures LLP, Small Industries Development Bank of India, Amicus Capital Private Equity I LLP, Amicus Capital Partners India Fund I, Oman India Joint Investment Fund II, the Promoters, Promoter Group and the Key Shareholders)

IN WITNESS WHEREOF, the Parties have entered into this Agreement the day and year first above written.

For SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA

Sujata Chowdhury



Authorised Signatory

Name: SUJATHA CHOWDHURY

Witnessed by:

Kishore Chitambar

(THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK)



K



Page 73 of 101

PS



(This signature page forms part of the Shareholders' Agreement dated November 7, 2019 amongst Capital Small Finance Bank Limited, Pi Ventures LLP, Small Industries Development Bank of India, Amicus Capital Private Equity I LLP, Amicus Capital Partners India Fund I, Oman India Joint Investment Fund II, the Promoters, Promoter Group and the Key Shareholders)

IN WITNESS WHEREOF, the Parties have entered into this Agreement the day and year first above written.

For AMICUS CAPITAL PRIVATE EQUITY I LLP



Authorised Signatory



Name: MAHESH PARASURAMAN

Witnessed by:



(THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK)











(This signature page forms part of the Shareholders' Agreement dated November 7, 2019 amongst Capital Small Finance Bank Limited, Pi Ventures LLP, Small Industries Development Bank of India, Amicus Capital Private Equity I LLP, Amicus Capital Partners India Fund I, Oman India Joint Investment Fund II, the Promoters, Promoter Group and the Key Shareholders)

IN WITNESS WHEREOF, the Parties have entered into this Agreement the day and year first above written.

For AMICUS CAPITAL PARTNERS INDIA FUND I



Authorised Signatory

Name: MAHESH PARACURAMAN

Witnessed by:



(THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK)








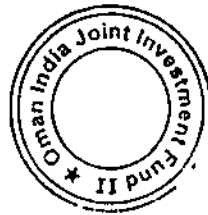


(This signature page forms part of the Shareholders' Agreement dated November 7, 2019 amongst Capital Small Finance Bank Limited, Pi Ventures LLP, Small Industries Development Bank of India, Amicus Capital Private Equity I LLP, Amicus Capital Partners India Fund I, Oman India Joint Investment Fund II, the Promoters, Promoter Group and the Key Shareholders)

IN WITNESS WHEREOF, the Parties have entered into this Agreement the day and year first above written.

For OMAN INDIA JOINT INVESTMENT FUND II





Authorized signatory

Name: SRINATH SRINIVASAN

Witnessed by:



(THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK)















(This signature page forms part of the Shareholders' Agreement dated November 7, 2019 amongst Capital Small Finance Bank Limited, Pi Ventures LLP, Small Industries Development Bank of India, Amicus Capital Private Equity I LLP, Amicus Capital Partners India Fund I, Oman India Joint Investment Fund II, the Promoters, Promoter Group and the Key Shareholders)

IN WITNESS WHEREOF, the Parties have entered into this Agreement the day and year first above written.

By PARKASH KAUR POONI

By SARVJIT SINGH SAMRA



(As per constituted attorney)

By SWARAN SINGH SAINI

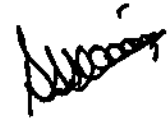
By BHAGWANT SINGH SANGHA



(As per constituted attorney)

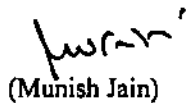
(As per constituted attorney)

By DINESH GUPTA



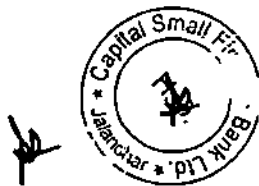
(As per constituted attorney)

Witnessed by:



(Munish Jain)

(THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK)




(This signature page forms part of the Shareholders' Agreement dated 7 NOVEMBER 2019 amongst Capital Small Finance Bank Limited, Pi Ventures LLP, Small Industries Development Bank of India, Amicus Capital Private Equity I LLP, Amicus Capital Partners India Fund I, Oman India Joint Investment Fund II, the Promoters, Promoter Group and the Key Shareholders)

IN WITNESS WHEREOF, the Parties have entered into this Agreement the day and year first above written.

By TANVEER SINGH DHILLON



Witnessed by:



KIRANDEEP DHILLON
#37, 16760, 61 AVE
SURREY, BC, CANADA V3S3V3

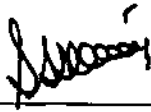
(THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK)



(This signature page forms part of the Shareholders' Agreement dated November 7, 2019 amongst Capital Small Finance Bank Limited, Pi Ventures LLP, Small Industries Development Bank of India, Amicus Capital Private Equity I LLP, Amicus Capital Partners India Fund I, Oman India Joint Investment Fund II, the Promoters, Promoter Group and the Key Shareholders)

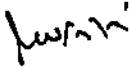
IN WITNESS WHEREOF, the Parties have entered into this Agreement the day and year first above written.

By AMARJIT SINGH SAMRA



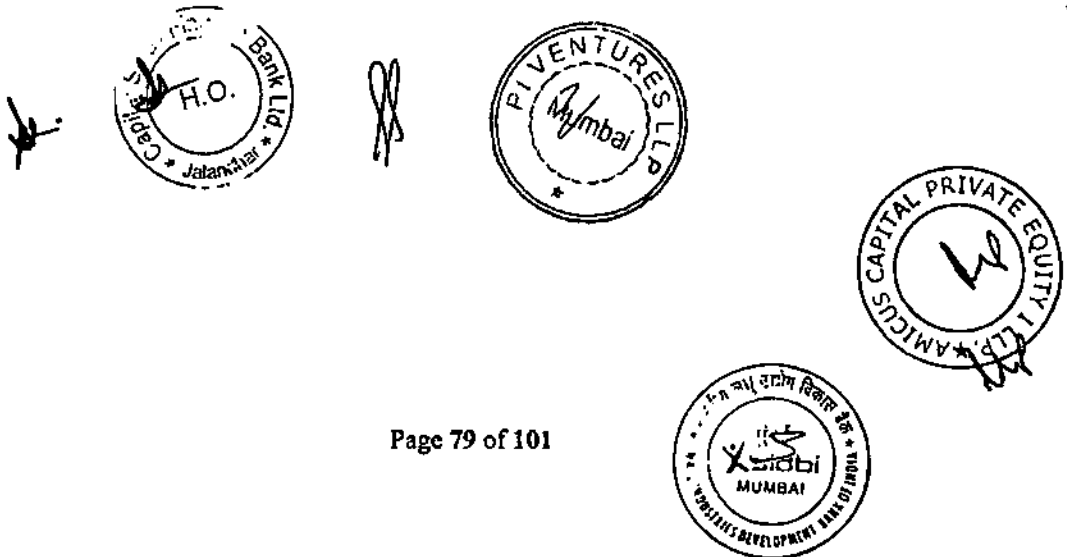
(As per constituted attorney)

Witnessed by:



(Munish Jain)

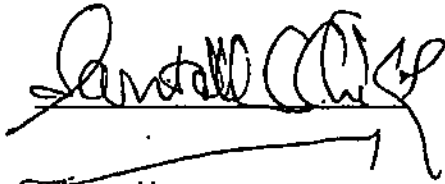
(THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK)



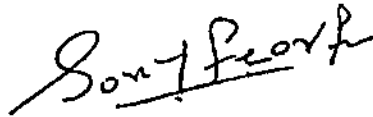
(This signature page forms part of the Shareholders' Agreement dated NOVEMBER 2019 amongst Capital Small Finance Bank Limited, Pi Ventures LLP, Small Industries Development Bank of India, Amicus Capital Private Equity I LLP, Amicus Capital Partners India Fund I, Oman India Joint Investment Fund II, the Promoters, Promoter Group and the Key Shareholders)

IN WITNESS WHEREOF, the Parties have entered into this Agreement the day and year first above written.

By SANTOKH SINGH CHHOKAR



Witnessed by:



SONY GEORGE
CHHOKAR & CO SOLICITORS
29 A THE BROADWAY
SOUTHALL - UOI 1W
(THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK)



(This signature page forms part of the Shareholders' Agreement dated November 7, 2019 amongst Capital Small Finance Bank Limited, Pi Ventures LLP, Small Industries Development Bank of India, Amicus Capital Private Equity I LLP, Amicus Capital Partners India Fund I, Oman India Joint Investment Fund II, the Promoters, Promoter Group and the Key Shareholders)

IN WITNESS WHEREOF, the Parties have entered into this Agreement the day and year first above written.

By NAVNEET KAUR SAMRA

By SURINDER KAUR SAMRA



(As per constituted attorney)



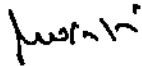
(As per constituted attorney)

By KULJIT SINGH HAYER



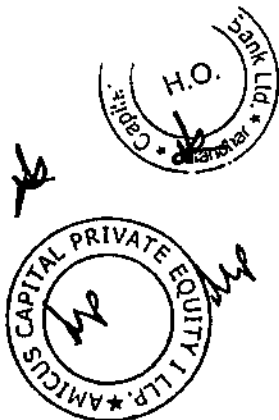
(As per constituted attorney)

Witnessed by:



(Munish Jain)

(THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK)

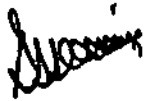


(This signature page forms part of the Shareholders' Agreement dated November 7, 2019 amongst Capital Small Finance Bank Limited, Pi Ventures LLP, Small Industries Development Bank of India, Amicus Capital Private Equity I LLP, Amicus Capital Partners India Fund I, Oman India Joint Investment Fund II, the Promoters, Promoter Group and the Key Shareholders)

IN WITNESS WHEREOF, the Parties have entered into this Agreement the day and year first above written.

By AMARPREET KAUR

By RANDEEP SINGH DHILLON



(As per constituted attorney)

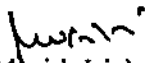
(As per constituted attorney)

By GURSHARAN KAUR DHILLON

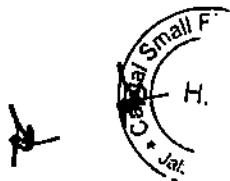


(As per constituted attorney)

Witnessed by:


(Munish Jain)

(THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK)



(This signature page forms part of the Shareholders' Agreement dated November 7, 2019 amongst Capital Small Finance Bank Limited, Pi Ventures LLP, Small Industries Development Bank of India, Amicus Capital Private Equity I LLP, Amicus Capital Partners India Fund I, Oman India Joint Investment Fund II, the Promoters, Promoter Group and the Key Shareholders)

IN WITNESS WHEREOF, the Parties have entered into this Agreement the day and year first above written.

By DINESH GUPTA FOR DINESH GUPTA HUF



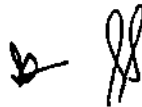
(As per constituted attorney)

Witnessed by:



(Munish Jain)

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]



SCHEDULE I

LIST OF PROMOTERS

1. Mr. Sarvjit Singh Samra;
2. Brig. Swaran Singh Saini (Retd.);
3. Mr. Tanveer Singh Dhillon;
4. Mr. Dinesh Gupta;
5. Mr. Bhagwant Singh Sangha; and
6. Mrs. Parkash Kaur Pooni



[Handwritten initials]



SCHEDULE II

LIST OF KEY SHAREHOLDERS

1. Mr. Amarjit Singh Samra
2. Mr. Santokh Singh Chhokar



[Handwritten signature]

[Handwritten signature]



SCHEDULE III
PROMOTER GROUP

Sl. No.	Name of Shareholder	Number of Shares	Percentage of Shareholding (%)
1	Sarvjit Singh Samra	70,37,396	23.39
1.1	Mr. Sarvjit Singh Samra	34,24,619	11.38
1.2	Mrs. Navneet Kaur Samra	8,84,800	2.94
1.3	Mr. Amarjit Singh Samra	16,40,864	5.45
1.4	Mrs. Surinder Kaur Samra	9,36,486	3.11
1.5	Mr. Kuljit Singh Hayer	1,06,627	0.35
1.6	Mrs. Amarpreet Kaur	44,000	0.15
2	Brig. Swaran Singh Şaini (Retd.)	4,75,513	1.58
3	Tanveer Singh Dhillon	3,11,720	1.04
3.1	Mrs Gursharan Kaur Dhillon	2,30,720	0.77
3.2	Mr. Randeep Singh Dhillon	81,000	0.27
4	Dinesh Gupta	3,25,253	1.08
4.1	Mr. Dinesh Gupta	2,95,920	0.98
4.2	Mr. Dinesh Gupta HUF	29,333	0.10
5	Mr. Bhagwant Singh Sangha	39,600	0.13
6	Mrs. Parkash Kaur Pooni	88,391	0.29
	Total	82,77,873	27.51



[Handwritten mark]

[Handwritten signature]



SCHEDULE IV

DEED OF ADHERENCE

THIS DEED OF ADHERENCE is made on [●] at [●] (Deed) by and between [●] and [●].

WHEREAS:

- A. This Deed is being made in furtherance of the Shareholders' Agreement dated [●] executed by and between Capital Small Finance Bank Limited (Bank), the Promoters, and the Investors (as defined therein) (SHA); and
- B. Pursuant to Clause 12.6 of the SHA, [●] (Transferor) proposes to transfer [insert number and description of Securities] to [●] (Transferee).

NOW THEREFORE THIS DEED WITNESSES as follows:

1 Definitions and Interpretation

- 1.1 Capitalised terms used but not defined in this Deed will, unless the context otherwise requires, have the respective meanings ascribed thereto in the SHA.
- 1.2 Words elsewhere defined or explained in this Deed will have the meaning so ascribed.
- 1.3 The principles of interpretation as set out in Clause 1 of the SHA shall apply *mutatis mutandis* to this Deed.

2 Adherence to the SHA

- 2.1 The Transferee hereby covenants to and undertakes to the Bank and to each of the other shareholders (and each other person who may from time to time expressly adhere to the SHA or assumes any rights or obligations under the SHA) that [he/ it] has received a copy of the SHA and has read and understood the SHA and shall be bound by and comply in all respects with the SHA to the extent that such provisions are applicable to the Transferee, and to assume the benefits of the SHA, as if the Transferee had executed the SHA and was named as an original party thereto.
- 2.2 The Transferee acknowledges and agrees that [he/ it] shall be bound by all obligations of the Transferor under the SHA.

3 Representations & Warranties by the Transferee

- 3.1 The Transferee hereby represents, warrants and undertakes to the Bank and to each of the other shareholders (and each other person who may from time to time expressly adhere to the SHA or assumes any rights or obligations under the SHA) in the terms set out *inter alia* in Clause 4 (Representations & Warranties) of the SHA, but so that such representations, warranties and undertakings will be deemed to be given on the date of this Deed and will be deemed to refer to this Deed as well as the SHA.

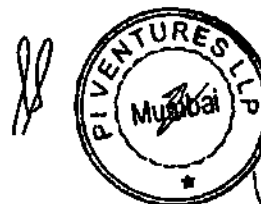
4 Shareholding Pattern

- 4.1 The shareholding pattern of the Bank upon transfer of [●] to the Transferee shall be as set out in the Annexure to this Deed.

5 Notices

- 5.1 Communication to the Transferee relating to this Deed and/ or the SHA should be addressed at

Address : [●]



Attention : [•]
Tel. No : [•]
Fax No : [•]
Email : [•]

6 Governing Law and Jurisdiction

- 6.1 This Deed shall be governed by the laws of India.
6.2 Each of the Parties hereto irrevocably submits to the exclusive jurisdiction of the courts of Mumbai in connection with any disputes arising out of or in connection with this Deed.

7 Dispute Resolution

- 7.1 The provisions of Clause 20 (*Dispute Resolution*) of the SHA are *mutatis mutandis* incorporated herein by reference.

8 Counterparts

- 8.1 This Deed may be executed in several counterparts each of which, when executed by the Parties hereto and once signature pages in relation to a counterpart which is not to be retained by a Party is delivered to the respective other Party, shall be an original but all of which together shall constitute a single instrument.

9 Miscellaneous

- 9.1 The provisions of Clauses 18 (*Confidentiality*), 25 (*Specific Performance*), 28 (*Assignment*), 30 (*Amendments*), and 32 (*Further Assurances*), of the SHA shall apply *mutatis mutandis* to this Deed.

For the Transferor

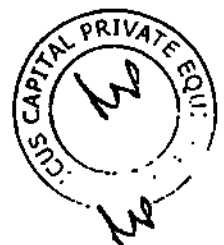
[•]

For the Transferee

[•]



[Handwritten signatures]



ANNEXURE

Shareholding Pattern of the Bank upon Transfer to Transferee

[•]



[Handwritten mark]

[Handwritten mark]



[Handwritten mark]



SCHEDULE V

DEED OF CONFIRMATION

[ON THE LETTERHEAD OF INVESTOR RIGHTS ASSIGNEE]

To,

[insert name of the Investor]

[insert address]

CC:

Capital Small Finance Bank

[insert address]

Sarjit Singh Samra;

[insert address]

Brig. Swaran Singh Saini (Retd.)

[insert address]

Dinesh Gupta

[insert address]

Bhagwant Singh Sangha

[insert address]

Parkash Kaur Pooni

[insert address]

Re: Acquisition of Securities of Capital Small Finance Bank Limited

Dear Sirs,

I/We [insert name], execute this Deed of Confirmation (Deed) on this [●] day of [●] at [●], pursuant to the Shareholders' Agreement dated [insert date] entered into by and between *inter alia* Pi Ventures LLP (Pi Ventures), Amicus Capital Private Equity I LLP (ACPE), Amicus Capital Partners India Fund I (ACPIF), Oman India Joint Investment Fund II (OIJIF), Small Industries Development Bank of India (SIDBI) and Capital Small Finance Bank Limited (Bank) (Shareholders' Agreement).

I/We, [insert name of transferee] have acquired [insert number] equity shares of face value INR 10/- each of the Bank, at a premium of INR [insert amount], for an aggregate consideration of [insert amount] from [insert name of the Investor] on [insert date], in accordance with Applicable Law.

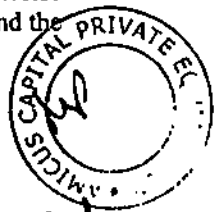
I/We hereby confirm that I/we do not have any voting arrangement with respect to the [insert name of the Investor]'s shareholding in the Bank, and further that the [insert name of the Investor] will exercise its rights under the Shareholders' Agreement by and between the [insert name of the Investor] and the Bank, without any prior consultation with, intimation to, and/ or approval from, me/us.

Yours sincerely,



[Handwritten mark]

[Handwritten signature]



For [insert name of Investor Rights Assignee]

Authorised Signatory

I hereby confirm the receipt of this letter dated [●] and accept the terms and conditions stated herein

For [insert name of the Investor]

[insert designation]



[Handwritten signature]



[Handwritten signature]



SCHEDULE VI

ESCROW ARRANGEMENT

Further to Clause 15.13 of this Agreement, it is hereby agreed that the Escrow Bank Account for each Investor shall be opened and operated, if and as required, subject to the following principles:

1. **Term:** This escrow arrangement shall continue to be valid and binding on the Investors and Promoters, until the respective Investor holds Equity Shares in the Bank.
2. **Payment:** Where on account of a Diminution of Value Consequence, any amounts have been placed in the Escrow Bank Account in accordance with Clause 9.9 of the SSA, the SSA 1 and the SSA 2 or the relevant provision of the Addendum, then until the earlier of:
 - (i) (A) the Investor transferring all or part of the Securities held by it in the Bank or listing of the equity shares of the Bank on a Recognised Stock Exchange on the completion of the QIPO; and (B) the Bank failing with respect to the event pursuant to and in terms of which the claim in relation to the Diminution of Value Consequence arose under the Share Subscription Agreement or in relation to a Payable Interim Tax Liability) (Trigger A); or
 - (ii) the Bank succeeding with respect to the event pursuant to and in terms of which the claim in relation to the Diminution of Value Consequence arose under the Share Subscription Agreement, such that the risk of a loss arising to the Investor on account of such Diminution of Value Consequence no longer obtains (Trigger B);

the amounts in the Escrow Bank Account along with all interest accrued on such amounts shall be paid to: (a) the Investor on occurrence of Trigger A; or (b) to the Promoters on occurrence of Trigger B.

3. **Costs:** The costs incurred in relation to the Escrow Bank Account will be borne by the Promoters.



Handwritten signature.



Handwritten signature.



SCHEDULE VII
QUARTERLY COMPLIANCE CERTIFICATE FOR ESG LAWS

[▲], 2019

Amicus Capital Private Equity I LLP
4th Floor, Rocklines House,
9/1 Museum Road,
Bangalore-560 001.

Amicus Capital Partners India Fund I
C/o Amicus India Capital Partners LLP,
3rd Floor, Rocklines House,
9/1 Museum Road,
Bangalore - 560 001.

Pi Ventures LLP
102, 10th Floor, Maker Chambers III,
Nariman Point,
Mumbai – 400021

Dear Sirs,

Re: Environmental, Social and Governance (“ESG”) compliance undertaking

We refer to the Share Subscription Agreement dated June 12, 2019 between Amicus, Promoters, Pi Ventures and the Bank (“Agreement”), wherein each of Amicus and Pi Ventures have agreed to subscribe to the New Investor Subscription Shares and Pi Ventures Subscription Shares, respectively, in the Bank.

Pursuant to Clause 8.3 of the Agreement, we hereby confirm that during the quarter ended [•], the Bank and its subsidiaries were compliant with the ESG guidelines and standards attached (Appendix 1) which are in line with the ‘Responsible Investing’ guidelines of Amicus (Appendix 2).

We further agree that you may send a copy of this undertaking to your shareholders, partners, Affiliates or representatives.

Unless otherwise defined herein, capitalized terms used herein shall have the same meaning as in the Agreement.

Yours sincerely,

For Capital Small Finance Bank Limited

By: [▲]
Name: [▲]
Title: [▲]



[Handwritten signature]

[Handwritten signature]



[Handwritten signature]



ESG STANDARDS

The Bank (including its joint ventures and any company under the common control of the Bank) hereby undertakes to implement and comply with the following set of ESG standards in the conduct of its business.

i. General

1. Comply with applicable national, state, and local labour laws in the countries in which the Bank operates in.
2. Operate in compliance with relevant international sanctions, including those of the European Union and the United Nations ("International Sanctions")¹.
3. Implement management systems, appropriate to the size and nature of the business, that ensure a systematic approach to ESG risk assessment, addressing relevant risks, monitoring and reporting on progress and, to the extent possible, involving stakeholders².
4. Achieve continuous improvement with respect to management of ESG related matters.
5. Agree not to commit capital to or invest capital in any of the following business activities:
 - 5.1 production of or trade in any product or activity deemed illegal under applicable local or national laws or regulations or subject to internationally agreed phase-outs or bans as defined in global conventions and agreements such as certain:
 - (i) hazardous chemicals, pharmaceuticals, pesticides and wastes³;
 - (ii) ozone depleting substances⁴;
 - (iii) endangered or protected wildlife or wildlife products⁵;
 - (iv) unsustainable fishing methods such as blast fishing and drift net fishing in the marine environment using nets in excess of 2.5 kilometres in length;
 - (v) production of or trade in arms, (i.e., weapons, munitions or nuclear products, primarily designed or primarily designated for military purposes);
 - (vi) production of, use of or trade in un-bonded asbestos fibres;
 - (vii) production of, or trade in, radioactive materials⁶; and
 - (viii) prostitution.

¹ Refer http://www.hm-treasury.gov.uk/fin_sanctions_index.htm for a full list.

² Refer IFC PSI for guidance.

³ As specified in the 2004 Stockholm Convention on Persistent Organic Pollutants ("POPs"), refer www.pops.int; the 2004 Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, refer www.pic.int; the 1992 Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, see www.basel.int and WHO Recommended Classification of Pesticides by Hazard Class 1a (extremely hazardous); or 1b (highly hazardous) http://www.who.int/ipcs/publications/pesticides_hazard/en/; as may be amended from time to time.

⁴ As specified in the 1999 Montreal Protocol on Substances that Deplete the Ozone Layer, refer www.ozone.unep.org, as may be amended from time to time.

⁵ As specified in the 1975 Convention on International Trade in Endangered Species or Wild Flora and Fauna ("CITES"), refer www.cites.org, as may be amended from time to time.

⁶ This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment in which the radioactive source could reasonably be considered to be trivial or adequately shielded.



6. Agree not to commit capital to or invest capital in in any business, if any of the following activities represents a substantial portion of such business⁷ :

- 6.1 gambling, gaming casinos or equivalent businesses;
- 6.2 pornography; and
- 6.3 tobacco or tobacco related products⁸.

7. Inform the Investors about incidents that result in loss of life, material effect on the environment, or material breach of law, and any corrective actions taken.

ii. Environment matters

- 1. Minimise adverse impact and consider the potential for positive environmental impacts from business activities.
- 2. Achieve efficient use of natural resources, protection of the environment wherever possible and support the reduction of greenhouse gas emissions that contribute to climate change.
- 3. Identify potential risks and appropriate mitigating measures through an environmental impact assessment where business operations could involve loss of bio-diversity or habitat, emission of significant quantities of greenhouse gases, severe degradation of water or air quality, substantial solid waste or other significant negative environmental impacts.

iii. Social matters

- 1. Ensure compliance with all applicable national, state and local labour laws including IFC Performance Standards.
- 2. Prohibit the employment or make use of forced labour⁹ of any kind.
- 3. Prohibit the employment or make use of child labour¹⁰.
- 4. Pay wages which meet or exceed industry or legal national minima¹¹.
- 5. Provide safe and healthy working conditions for employees and contractors of the company, working hours that are not excessive and clearly documented terms of employment¹², and in situations where workers are employed in remote locations for extended periods of time to ensure that such workers have access to adequate housing and basic services.
- 6. Ensure that all benefits that employees are eligible to are clearly communicated to them.

⁷ For companies, "substantial" means more than 10 % of their consolidated balance sheets or earnings. For financial institutions, "substantial" means more than 10% of their underlying portfolio volumes.

⁸ Except, in the case of tobacco production only, with an appropriate timeframe for phase out.

⁹ As covered by the ILO Forced Labour Convention (No. 29) and the Abolition of Forced Labour Convention (No. 105). See www.ilo.org/ilolex/english/docs/declworld.htm.

¹⁰ As defined by the ILO Minimum Age Convention (No. 138) and the Worst Forms of Child Labour Convention (No. 182). Refer www.ilo.org/ilolex/english/docs/declworld.htm.

¹¹ Refer <http://www.ilo.org/dyn/travail/travmain.home> for guidance.

¹² Respecting any collective bargaining agreements that are in place or where these do not exist or do not address working conditions, make reference to conditions established, by collective agreement or otherwise, for work in the trade or industry concerned in the area/region where the work is carried out and local or national law. Refer <http://www.ilo.org/dyn/travail/travmain.home> and IFC Performance Standard 2 for guidance. For working hours, refer to the ILO Hours of Work (Industry) Convention http://www.ilo.org/dyn/normlex/en/?p=1000:12100:0::NO::P12100_ILO_CODE:C001



Handwritten initials and signatures.



7. Treat employees fairly in terms of recruitment, progression, terms and conditions of work and representation, irrespective of gender, race, colour, disability, political opinion, sexual orientation, age, religion, social or ethnic origin, or HIV status¹³.
8. Implement compensation and other policies that align the interests of owners and management.
9. Assess the health and safety risks arising from the business activities including potential adverse effects and mitigating measures through a social impact assessment in cases involving resettlement, critical cultural heritage, indigenous peoples, and non-local labour.
10. Implement a procedure for the reporting of wrongdoing and misconduct in the workplace that includes protection for the reporter and appropriate disciplinary action for anyone found to harass the reporter.
11. Provide an appropriate grievance mechanism that is available to all workers and where appropriate other stakeholders¹⁴.

The Bank shall also ensure that items 1 to 5 (of Social matters) above also implemented by contractors of the Bank and appropriate certifications shall be obtained in respect hereof.

iv. **Governance matters**

1. Uphold high standards of integrity and honesty.
2. Exhibit fairness, diligence and respect in all business dealings.
3. Implement strong employee code of conduct, ethics policies, anti-corruption and anti-bribery policies to prevent bribery (covering US Foreign Corrupt Practices Act, 1977; UK Bribery Act, 2010; The Prevention of Corruption Act, 1988; similar laws in other countries, and the OECD Anti-Bribery Convention), prohibit contributions to political parties or political candidates, and prohibit employees from making or receiving gifts of substance in the course of business.
4. Implement a mechanism to determine that none of the portfolio companies deal with anyone listed on the US Treasury Department Office of Foreign Assets Controls Specially Designated Nationals and Blocked Persons and Foreign Sanctions Evaders List.
5. Promote transparency and accountability grounded in sound business ethics.
6. Use information received from its partners only in the best interests of the business relationship and not for personal financial gain by any employee.
7. Clearly define responsibilities, procedures and controls with appropriate checks and balances in company management structures.
8. Properly record, report and review financial and tax information.
9. Deal with regulators in an open and co-operative manner

¹³ As covered by the ILO Equal Remuneration Convention (No. 100) and the ILO Discrimination (Employment and Occupation) Convention (No. 111), allowance could be made where positive discrimination is mandated in law and is intended to address a historical imbalance. Refer www.ilo.org/ilolex/english/docs/declworld.htm.

¹⁴ Refer IFC Performance Standard 2 and the "Effectiveness Criteria for Non-Judicial Grievance Mechanisms" within the UN Guiding Principles on Human Rights. Refer http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf for guidance.



Handwritten signature or initials.



10. Use effective systems of internal control and risk management covering all significant issues, including environmental, social and ethical issues.

v. **Additional guidelines for specific activities**

1. If the activities of the company involve or could be reasonably expected to involve:
- 1.1 Significant air emissions (including of Green House Gases – GHGs), use of water or generation of liquid effluents, generation of hazardous or other solid wastes; or resource use inefficiencies;
 - 1.2 Transactions that generate adverse community health and safety impacts;
 - 1.3 The acquisition and/or use of land that result in economic or physical displacement;
 - 1.4 Significant negative impacts on biodiversity, habitats or ecosystem services¹⁵;
 - 1.5 Impacts to indigenous peoples (or other marginalised and vulnerable groups);
 - 1.6 Impacts cultural heritage; or
 - 1.7 Other significant negative environmental or social impacts;

then such company shall ensure that it (i) implements the relevant IFC Performance Standards, (ii) an appropriate stakeholder engagement plan is developed¹⁶, and (iii) an environmental and social impact assessment and/or issue specific action plan (e.g. a resettlement action plan)¹⁷ is developed for such activities.

2. If the activities of a company could reasonably be expected to involve:
- (i) Significant risks to the health and safety of workers or to other stakeholders, including affected communities, assess and mitigate those risks, for example through a Health and Safety audit and action plan, in line with the relevant IFC's Performance Standards and World Bank EHS Guidelines;
 - (ii) Microfinance, then endorse and apply the SMART Campaign Client Protection Principles¹⁸;
 - (iii) Coal-fired power, ensure the use of coal is justified by the investment's development impact¹⁹; and
 - (iv) Significant emissions of greenhouse gases, ensure that adequate measures to reduce emissions to the extent possible and mitigate adverse climate impacts are implemented and that the company reports on its emissions.

¹⁵ As defined in IFC PS 6, paragraph 2. These include but are not restricted to (a) provisioning services such as food or timber; (b) regulating services such as water flow regulation; (c) cultural services such as sacred sites; and (d) supporting services such as soil formation.

¹⁶ Refer IFC Performance Standard 1 for guidance.

¹⁷ The audit should be carried out in line with the appropriate IFC PS, any relevant World Bank Group EHS Guidelines (<http://www.ifc.org/ifcext/sustainability.nsf/Content/EHSGuidelines>) and the requirements in this section.

¹⁸ <http://www.smartcampaign.org/about-the-campaign/smart-microfinance-and-the-client-protection-principles>

¹⁹ Refer CFC Policy on Coal Power

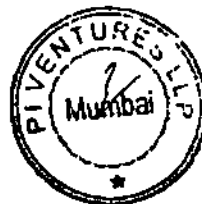


INVESTORS' 'RESPONSIBLE INVESTING' GUIDELINES

1. Remain committed to compliance with IFC Performance Standards, applicable national, state, and local labour laws in the countries in which the Investors operate and/or invest in.
2. Commit to continuous improvement with respect to management of environment, social and governance matters.
3. Consider environmental, public health, safety, and social issues associated with target companies when evaluating whether to invest in a particular company or entity, as well as during the period of ownership.
4. Seek to be accessible to, and engage with, relevant stakeholders either directly or through representatives of portfolio companies, as appropriate.
5. Seek to grow and improve the companies in which the Investors invest for long-term sustainability and to benefit multiple stakeholders, including on environmental, social and governance issues.
6. Seek to use governance structures that provide appropriate levels of oversight in the areas of audit, risk management and potential conflicts of interest and to implement compensation and other policies that align the interests of owners and management.
7. Support payment of competitive wages and benefits to employees; provide a safe and healthy workplace in conformance with national and local laws; and apply relevant international best practice standards.
8. Maintain policies that prohibit bribery and other improper payments to public officials consistent with the US Foreign Corrupt Practices Act, 1977; UK Bribery Act, 2010; The Prevention of Corruption Act, 1988; similar laws in other countries, and the OECD Anti-Bribery Convention.
9. Respect the human rights of those affected by its investment activities and take steps to ensure that its investments do not flow to companies that utilize child or forced labour or maintain discriminatory policies.
10. Provide timely information to Investors' limited partners on the matters addressed herein, and work to foster transparency about the activities of the Investors.
11. Encourage portfolio companies of the Investors to advance these same principles in a way which is consistent with the fiduciary duties of the Investors.



[Handwritten initials]



SCHEDULE VIII

QUARTERLY COMPLIANCE CERTIFICATE FOR SANCTIONS LAW AND REGULATIONS

(To be executed on the letterhead of Capital Small Finance Bank Limited)

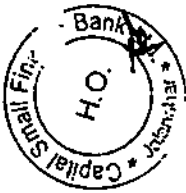
Pursuant to Clause 14.5 of the Agreement, we hereby confirm that during the quarter ended [•], Capital Small Finance Bank Limited was in compliance with the Sanctions Laws and Regulations.

We further agree that you may send a copy of this undertaking to your shareholders, partners, Affiliates or representatives.

Unless otherwise defined herein, capitalized terms used herein shall have the same meaning as in the Agreement.

For Capital Small Finance Bank Limited

Name:
Designation:
Date:



Handwritten initials.



SCHEDULE IX
COMPLIANCE CERTIFICATE

(To be executed on the letterhead of Capital Small Finance Bank Limited)

Certified that as on and up to the date of this certificate, Capital Small Finance Bank Limited ("Bank") has complied with the following laws and statutes including any orders, rules, regulations, guidance and other legal requirements thereunder and any other equivalent legislations, in force at the date of this certificate in the jurisdictions where the Bank conduct their business operations:

- (i) Sanctions Law and Regulations;
- (ii) Prevention of Money Laundering Act, 2002, as amended from time to time;
- (iii) The Income Tax Act, 1961 and rules made thereunder, as amended from time to time;
- (iv) (a) Central Goods and Services Tax Act, 2017 including Central Goods and Services Tax (Extension to Jammu and Kashmir) Act, 2017, (b) State Goods and Services Tax Act, 2017 as notified by respective States, (c) Union Territory Goods and Services Tax Act, 2017, (d) Integrated Goods and Services Tax Act, 2017 including Integrated Goods and Services Tax (Extension to Jammu and Kashmir Act, 2017), (e) Goods and Services Tax (Compensation to States) Act, 2017 and the rules, notifications, amendments and circulars issued pursuant to the foregoing, as amended from time to time;
- (v) The Companies Act, 1956 (to the extent still in force); The Companies Act, 2013 and rules made thereunder, as amended from time to time;
- (vi) Payment of Bonus Act, 1965, as amended from time to time;
- (vii) Contract Labour (Regulation and Abolition) Act, 1970, as amended from time to time;
- (viii) Employees' Compensation Act, 1923, as amended from time to time;
- (ix) Industrial Employment (Standing Orders) Act, 1946, as amended from time to time;
- (x) Payment of Wages Act, 1936, as amended from time to time;
- (xi) Minimum Wages Act, 1948, as amended from time to time;
- (xii) Payment of Gratuity Act, 1972, as amended from time to time;
- (xiii) Maternity Benefit Act, 1961, as amended from time to time;
- (xiv) Employee Provident Fund and Miscellaneous Provisions Act, 1952, as amended from time to time;
- (xv) Employee's State Insurance Act, 1948 and Scheme thereunder, as amended from time to time;
- (xvi) The Foreign Exchange Management Act, 1999 and the Rules made there under, as amended from time to time;
- (xvii) The Negotiable Instruments Act, 1881, as amended from time to time;
- (xviii) Information Technology Act, 1999, as amended from time to time;
- (xix) Professions, Trades, Callings and Employment Act, 1979, as amended from time to time;
- (xx) The Labour Welfare Fund Act, as amended from time to time;
- (xxi) Customs Act, 1962, as amended from time to time;
- (xxii) Equal Remuneration Act, 1976, as amended from time to time;
- (xxiii) IRDA (Insurance Broker) Regulations, 2013, as amended from time to time;
- (xxiv) Banking Regulation Act, 1949;
- (xxv) Guidelines for Licensing of Small Finance Banks in the Private Sector' dated November 27, 2014, as amended from time to time,
- (xxvi) Operating Guidelines for Small Finance Banks dated October 6, 2016, and
- (xxvii) All other rules, regulations, guidelines framed by the Reserve Bank of India, as may be applicable to the Bank.

Certified further that as on and up to the date of this certificate, the Bank is in material compliance with the following laws and statutes including any orders, rules, regulations, guidance and other legal requirements thereunder and any other equivalent legislations, in force at the date of this certificate in the jurisdictions where the Bank conduct their business operations:



[Handwritten signatures]



- i. The Shops and Establishments Act, as amended from time to time; and
- ii. Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, as amended from time to time.

Certified further that the Bank – (a) has no statutory dues outstanding and that the Bank has specifically paid all the withholdings (provident fund, employee state insurance, Income-tax, etc.) to concerned authorities and no outstanding payments is required to be made against these obligations; (b) is not in default with any other statutory compliance and has filed all the required documentations with regulatory authorities; (c) is not party to any legal suit or any corrupt practices; and (d) that all actions taken have been in the best interests of the Bank.

For Capital Small Finance Bank Limited

 Name:
 Designation:
 Date:

**CERTIFIED TRUE COPY
 For Capital Small Finance Bank Ltd.**

[Handwritten Signature]
 Authorised Signatory

