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Date : 27/04/2023

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(Rs. Zero Only)

Seller / First Party Detail

Name: Capital Small finance Bank ltd

H.No/Floor : Na Sector/Ward : Na LandMark : Na

City/Village : Jalandhar District : Jalandhar State : Punjab

Phone: 97\*\*\*\*\*37



Buyer / Second Party Detail

Name : Max Life Insurance company ltd

H.No/Floor : Na Sector/Ward : Na LandMark : Na

City/Village: Gurugram District : Gurugram State : Haryana

Phone : 97\*\*\*\*\*37

Purpose : SSA

The authenticity of this document can be verified by scanning this QR Code Through smart phone or on the website <https://egrashry.nic.in>

This stamp paper forms an integral part of the Share Subscription Agreement dated May 02, 2023 executed between Capital Small Finance Bank limited, Max Life Insurance Company limited, the Promoters and the key Shareholders.

CERTIFIED TRUE COPY  
For Capital Small Finance Bank Ltd.

*Shiv Sharma*  
Authorised Signatory



*Authorised Signatory*



*Shiv Sharma*  
*Shiv Sharma*  
*Shiv Sharma*  
*Shiv Sharma*

May, 2 2023

**SHARE SUBSCRIPTION AGREEMENT**  
**AMONGST**  
**CAPITAL SMALL FINANCE BANK LIMITED**  
**AND**  
**MAX LIFE INSURANCE COMPANY LIMITED**  
**AND**  
**THE PROMOTERS**  
**AND**  
**KEY SHAREHOLDERS**

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## SHARE SUBSCRIPTION AGREEMENT

This SHARE SUBSCRIPTION AGREEMENT (this "Agreement") is executed on 2<sup>nd</sup> of May, 2023 at Gurugram, Haryana 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 Midas Corporate Park, 3<sup>rd</sup> 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. **MAX LIFE INSURANCE COMPANY LIMITED**, a public company incorporated under the Companies Act, 1956, having its registered office at 419, Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab -144 533 and head office at 11th Floor, DLF Square Building, Jacaranda Marg, DLF City Phase - II, Gurugram - 122002, Haryana at 419, Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur Nawan Shehar -144533, India (hereinafter referred to as the "New Investor" 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 Second Part;

AND

3. **THE PERSONS LISTED IN SCHEDULE 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 Third Part;

AND

4. **THE PERSONS LISTED IN SCHEDULE VI** hereto (hereinafter referred to individually as a "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 Fourth Part.

The Bank, the New Investor, the Promoters, and the Key Shareholders shall be individually referred to 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 as 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 and Applicable Law (*as defined hereinafter*) as an eligible activity for "small finance banks" as defined under the SFB Guidelines (*as defined hereinafter*); and (ii) registered with the IRDA (*as defined hereinafter*) as a "corporate agent" (the "Business").
- (B) As on the date of this Agreement, the authorized share capital of the Bank is INR 50,00,00,000 (Rupees Fifty Crores only) comprising 5,00,00,000 (Five Crores) Equity Shares (*as defined hereinafter*).



- (C) The Bank is desirous of raising additional funds and in furtherance thereof, the New Investor is desirous of subscribing to certain Equity Shares. In reliance of the representations, warranties and indemnities being provided by the Promoters and the Bank and subject to the terms and conditions contained herein, the New Investor proposes to subscribe to the Subscription Shares (*as defined hereinafter*), and the Bank proposes to issue and allot the Subscription Shares to the New Investor, by way of a preferential allotment.
- (D) In view of the foregoing, the Parties are now desirous of entering into this Agreement to record the terms and conditions for issuance and allotment of the Subscription Shares by the Bank to the New Investor.

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

## 1. DEFINITIONS AND INTERPRETATION

### 1.1 Definitions

"1949 Act" shall mean the Banking Regulation Act, 1949 and includes any statutory modifications or re- enactment thereof for the time being in force;

"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 Applicable Law, in each case applied on a consistent basis;

"Act" shall mean the Companies Act, 2013, and the Companies Act, 1956 (to the extent still in force) and includes, wherever applicable, the rules framed thereunder, any 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;

"AD Cat II License" shall mean the authorized dealer- category II license issued by the RBI to the Bank dated April 18, 2017, and any other subsequent license obtained by the Bank to act as an AD Cat II;

"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 1 (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 1 (one) or more intermediate Persons, is Controlled by or that is a Relative of the Subject Person;

"Agreed Claim" shall have the meaning as assigned to it in Clause 10.5(v);



“Agreement” shall mean this share subscription agreement, together with the Schedules, as may be amended, modified or supplemented from time to time, in accordance with its terms;

“Allotment Rules” means the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time;

“Anti-Corruption Laws” shall have the meaning assigned to it in Schedule V;

“Anti-Money Laundering Laws” shall mean any Applicable Law having the force of law and relating to anti-money laundering;

“Applicable Law” or “Law” shall mean any law, treaty, code, regulation, ordinance, rule, judgment, order, decree, bye-law, approval of any Governmental Authority, directive, guideline, policy, requirement or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration having the force of law of any of the foregoing, by any Governmental Authority having jurisdiction over the matter in question that are applicable to the Bank, including but not limited to the provisions of the Act, the 1949 Act, the RBI Act and the Guidelines and any license, permit or other authorisations granted from or by the RBI;

“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;

“Bank” shall have the meaning as assigned to it in the Preamble;

“Bank Designated Bank Account” shall mean the bank account maintained by the Bank into which the New Investor shall remit the Subscription Amount in accordance with the terms hereof, the details of which shall be communicated by the Bank to the New Investor under the CP Fulfilment Notice;

“Board” shall mean the board of directors of the Bank;

“Business” shall have the meaning set forth in Recital A and includes the Principal Business;

“Business Day” shall mean a day, other than Saturday and Sunday on which commercial banks are open for business in Gurugram, Jalandhar and Mumbai;

“Business Plan” shall mean the business plan of the Bank as approved by the Board from time to time;

“Charter Documents” shall mean and include the Memorandum and the Articles;

“Claims” shall have the meaning as assigned to it in Clause 10.1;

“Closing” shall have the meaning as assigned to it in Clause 7.3;

“Closing Date” shall have the meaning as set forth in Clause 7.1;



"Conditions Precedent" shall have the meaning as set forth in Clause 3.1;

"Confidential Information" shall mean this Agreement and, or, any information delivered by a Party to another Party in connection with or pursuant to this Agreement that is proprietary in nature or designated as confidential at the time of delivery;

"Consents" means any approval (other than an Approval), consent, ratification, waiver, notice or other authorization of, from or to any Third Parties, including lenders;

"Contract", with respect to a Person, shall mean any agreement, contract, obligation, promise, undertaking, subcontract, lease, understanding, instrument, note, warranty, insurance policy, benefit plan or legally binding commitment or undertaking of any nature entered into by such Person;

"Control" 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 50% (fifty per cent) of the shares in issue or other equity interests of such Person, or
- (ii) possession directly or indirectly of more than 50% (fifty per cent) 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, means any other Person not being a natural Person that, either directly or indirectly through 1 (one) or more intermediate Persons, is Controlled by that Subject Person;

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

"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;

"Corporate Agent License" shall mean the certificate of registration as corporate agent (composite) issued by the IRDA to the Bank on March 17, 2016;

"Covered Persons" shall have the meaning assigned to it in Schedule V;

"CP Fulfilment Notice" shall mean the certificate in the form annexed hereto as Schedule IV, which shall be issued to the New Investor by the Bank and the Promoters on fulfilment of the Conditions Precedent in accordance with Clause 3.5(i);

"Demat Accounts" shall mean the dematerialized account opened with Central Depository Service (India) Limited or National Securities Depository Limited;

"De Minimis" shall have the meaning assigned to in Clause 10.15;

"Diminution in Value Consequence" shall have the meaning assigned to in Clause 10.3;



**"Disclosure Letter"** shall mean the disclosure letter in relation to matters disclosed with respect to specific Representations and Warranties (except Fundamental Representations), issued by the Bank and the Promoters to the New Investor, as on the Execution Date, in an Agreed Form;

**"Dispute"** shall have the meaning assigned to it in Clause 11.2;

**"Employee Plans"** shall have the meaning assigned to it in Schedule V;

**"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 in respect of which formal process for enforcement of that adverse claim has been instituted and not rejected or stayed within a period of 30 (thirty) Business Days from the date of institution; and
- (iv) any agreement, arrangement or obligation to create any of the (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 by the Parties, if and as required;

**"Execution Date"** shall mean the date of signing of this Agreement by all the Parties;

**"Existing ESOP Plans"** shall mean the CSFB Limited-Employee Stock Option Plan 2018 approved by the Board on July 11, 2018 (amended on September 23, 2021), CSFB Limited-Employees Stock Option Plan for Material Risk Takers approved by the Board on May 16, 2020 (amended on September 23, 2021) and the CSFB Limited-Employees Stock Option Plan 2023 approved by the Board on March 29, 2023;

**"Existing Share Subscription Agreements"** shall mean collectively (i) the Share Subscription Agreement dated August 2, 2019 among the Bank, the Promoters, the Promoter Group, the Key Shareholders and Oman India Joint Investment Fund II; (ii) the Share Subscription Agreement dated June 12, 2019 among the Bank, the Promoters, the Promoter Group, the Key Shareholders, Amicus Capital Private Equity I LLP, Amicus Capital Partners India Fund I and Pi Ventures LLP; (iii) the Share Subscription Agreement dated September 21, 2017 among the Bank, the Promoters, the Promoter Group, the Key Shareholders, Pi Ventures LLP and Small Industries Development Bank of India; (iv) the Share Subscription Agreement dated March 30, 2017 among the Bank, HDFC Standard Life Insurance Company Limited, the Promoters and the Key Shareholders; (v) the Share Subscription Agreement dated March 30, 2017 among the Bank, ICICI Prudential Life Insurance Company Limited, the Promoters and the Key Shareholders; and (vi) the Share





Subscription Agreement dated March 30, 2017 among the Bank, Pi Ventures LLP, the Promoters and the Key Shareholders;

**"Existing Shareholders' Agreement"** shall mean the shareholders' agreement executed on November 7, 2019 between the Bank, 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, Promoters, Promoter Group and the Key Shareholders read with the Waiver Cum Amendment executed on September 30, 2021 between the Bank, 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, Promoters, Promoter Group and the Key Shareholders;

**"Existing Transaction Documents"** shall mean the Existing Share Subscription Agreements, the Existing Shareholders' Agreement, all disclosure letter(s) issued pursuant thereto and any other agreement or written understanding among the parties thereto;

**"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 Statements"** 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, the notes to account and disclosures for the relevant Financial Year, if applicable;

**"Financial Year"** shall mean the period commencing from April 1 of one year and ending on March 31 of the immediately succeeding year, or such other period as the Bank, upon prior intimation to the New Investor, from time to time designates as its accounting year in accordance with the provisions of the Act;

**"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 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;

**"Fundamental Representations"** shall mean the representations and warranties provided by the Bank and the Promoters at Part A of Schedule V;

**"General Representations"** shall mean the Representations and Warranties provided by the Bank and the Promoters at Part B of Schedule V;

**"General Indemnity"** means: (i) the indemnity from the Indemnifying Parties to the Indemnified Persons with respect to any misrepresentation in, inaccuracy in or breach by the Indemnifying Parties of the General Representations; and (ii) any indemnity obligation not being a Special Indemnity; in each case in accordance with and subject to Clause 10 of this Agreement;

**"General Indemnity Period"** means the period commencing on the Closing Date and ending on the 3<sup>rd</sup> (Third) anniversary of the Closing Date;



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

"Governmental Authority" shall mean any Indian central, state or municipal government, regulatory authority, governmental department, agency, instrumentality, commission, board, tribunal, or court or other law, rule or regulation making Indian entity or Person having or purporting to have jurisdiction or Indian province or state or other subdivision thereof or any Indian municipality, district or other subdivision thereof;

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

"Indemnification Period" means: (i) with respect to the General Indemnity, the General Indemnity Period; (ii) with respect to the Special Indemnity the Special Indemnity Period;

"Indemnifying Party" shall have the meaning as assigned to it in Clause 10.1;

"Indemnified Persons" shall have the meaning as assigned to it in Clause 10.1;

"Indemnity Liability Termination Date" means the Closing Date;

"Indian Labour Laws" shall mean the Employees' Provident Funds And Miscellaneous Provisions Act, 1952, the Employees State Insurance Act, 1948, the Employees State Insurance (General) Regulation, 1950, the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, the Employment Exchange (Compulsory Notification of Vacancies) Rules, 1960, the Equal Remuneration Act, 1976, the Equal Remuneration Rules 1976, the Payment of Bonus Act, 1965, the Payment of Bonus Rules, 1975, the Maternity Benefit Act, 1961, the Punjab Maternity Benefit Rules, 1967, the Minimum Wages Act, 1948, the Payment of Gratuity Act, 1972, the Payment of Wages Act, 1936, the Employee's Compensation Act, 1923, the Workmen's Compensation Rules, 1924, and applicable Shops and Establishment Act and includes, wherever applicable, the rules framed there under, any statutory modification or re-enactment thereof for the time being in force;

"Intellectual Property Rights" means inventions, invention registrations, patents and patent applications, trademarks, service marks, trade dress, logos, domain names, trade names and corporate names, copyrights, computer software, trade secrets and business information (including pricing and cost information, business and marketing plans and customer and supplier lists) and know-how (including manufacturing and production processes and techniques and research and development information), industrial designs, databases and data collections, registerable under, provided by or recognized under, the Applicable Law;

"Interim Period" shall mean the period from the Execution Date till the Closing Date;

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

"Key Shareholders" shall mean the Shareholders set out at Schedule VI;

"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 Financial Statements prepared in accordance with Applicable Law and specifically Section 29 of the 1949 Act;



**"Licensed Intellectual Property Rights"** means all Intellectual Property Rights owned by a Third Party and licensed or sublicensed to the Bank;

**"Long Stop Date"** shall mean July, 31, 2023;

**"Losses"** shall have the meaning as assigned to it in Clause 10.1;

**"Material Adverse Effect"** shall mean an adverse change to: (i) the validity or enforceability of this Agreement or of any transactions contemplated hereunder or of the rights or remedies of the New Investor and the ability of the Bank and the Promoters to perform their respective obligations under this Agreement; (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, Consents or Approvals 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, gross negligence, gross misconduct, or wilful default 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 by at least 7.5% (Seven Point Five per cent) of the Last Reported Gross Revenue;

**"Material Business Revenue Threshold"** means 7.5% (Seven Point Five per cent) of the Last Reported Gross Revenue;

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

**"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;

**"New Investor"** shall have the meaning as assigned to it in the Preamble;

**"New Investor Valuation"** shall have the meaning as assigned to it in Clause 2.2;

**"New Investor Satisfaction Notice"** shall have the meaning as assigned to it in Clause 3.5(ii);

**"Orders"** means, with respect to any Person, any order, injunction, judgment, decree or ruling enacted, adopted, promulgated or applied by a Governmental Authority or arbitrator that is binding upon or applicable to such Person or its property;

**"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;



**"Owned Intellectual Property Rights"** means all Intellectual Property Rights owned by the Bank;

**"Party"/ "Parties"** shall have the meaning as assigned to in the Preamble;

**"Person"** shall include an individual, an association, a corporation, a partnership, a limited liability partnership, a joint venture, 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;

**"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;

**"Promoters"** shall have the meaning assigned to it in the Preamble;

**"Promoter Group"** shall mean the Persons listed in Schedule II for so long as each such Person holds Securities;

**"QIPO Date"** shall have the meaning as assigned to it in the Articles and the Existing Shareholders' Agreement i.e. July 31, 2023 as on the date of this Agreement;

**"Quarter End"** shall mean the conclusion of 1 of the 4 specific 3 month period of the Financial Year which presently are: (i) April, May and June; and (ii) July, August and September; (iii) October, November and December; and (iv) January, February and March;

**"Refund Amount"** shall have the meaning as assigned to it in Clause 10.7.2;

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

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

**"Registrar of Companies" or "RoC"** shall mean the registrar of companies, Chandigarh;

**"Representations and Warranties"** shall have the meaning as assigned to it in Clause 5.1;

**"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 foregoing entities, and includes the Shareholders, and shall also mean to include persons considered as 'related parties' under Section 2 (76) of the Act;

**"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;

**"Restricted Person"** shall mean any Person who, because of such Person's known bad character, criminal conduct or criminal associations or status on any "restricted" or "prohibited" list, including without limitation those restricted party lists maintained under the Sanctions Laws and Regulations, could cause the Bank, the Promoters, the New Investor or its Affiliates regulatory issues or detriments with respect to and, or, under the Anti-Money Laundering Laws, Sanctions Laws and Regulations, Anti-Corruption Laws, gaming, liquor, anti-terrorism or other such regulations;



**"Sanctions Laws and Regulations"** shall mean any law, rules, regulations, sanctions or measures promulgated, imposed, administered or enforced by the, the United Nations, the government of the Republic of India or the respective institutions and agencies of 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 the '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 as may be relevant for the Bank;

**"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;

**"SEBI"** shall mean the Securities and Exchange Board of India;

**"Securities"** shall mean the 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 of the Bank or any instrument or certificate representing a beneficial ownership interest in the Equity Shares of the Bank;

**"Securities Committee"** means the committee constituted by the Board to address matters relating to allotment of Securities and such other functions as may be delegated by the Board from time to time;

**"Senior Management Team"** shall mean the chief executive officer, the managing directors, whole-time directors (if any), the chief operating officer, the chief financial officer of the Bank, and the chief treasury officer of the Bank (if any);

**"Share Capital"** shall mean the total issued and paid up share capital of the Bank, determined on a Fully Diluted Basis;

**"Shareholders"** shall mean and include all shareholders of the Bank, including the Promoter Group, and any other Person who has become the holder of the Securities;

**"Side Letters"** shall have the meaning as assigned to it in Clause 3.1(xvii);

**"Special Indemnity"** means the indemnity from the Indemnifying Parties to the Indemnified Persons in accordance with and subject to Clause 10 with respect to the matters listed in Clause 10.17;

**"Special Indemnity Period"** means the period commencing in the Closing Date and ending on the date on which the New Investor ceases to be a Shareholder;

**"Subscription Amount"** shall have the meaning as assigned to it in Clause 2.2;

**"Subscriber Demat Account"** shall mean the Demat Accounts of the New Investor, details of which shall be provided by the New Investor to the Bank in accordance with Clause 3.3;



**"Subscription Shares"** shall mean 10,57,700 (Ten Lakh Fifty Seven Thousand and Seven Hundred) Equity Shares to be issued and allotted by the Bank to the New Investor in accordance with the terms of this Agreement;

**"Substantial Interest"** shall mean shareholding in excess of 10 (Ten) per cent of the total issued and paid up share capital of any company determined on a Fully Diluted Basis;

**"Tax"** means all forms of taxation, deductions, withholdings, duties, imposts, levies, fees, charges and rates imposed, levied, collected, withheld or assessed by any Governmental Authority and any interest, additional taxation penalty, surcharge or fine in connection therewith;

**"Third Party Claim"** shall have the meaning assigned to it in Clause 10.6;

**"Threshold Loss"** shall have the meaning as assigned to it in Clause 10.16;

**"Third Party"** shall mean any Person other than 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; and

**"Updated Disclosure Letter"** shall have the meaning assigned to it in Clause 5.5; and

**"Warrantors"** shall have the meaning assigned to it in Clause 5.1.

## 1.2 Interpretation

- (i) Unless the context of this Agreement otherwise requires:
  - (a) words using the singular or plural number also include the plural or singular number, respectively;
  - (b) words of any gender are deemed to include the other gender; and
  - (c) 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;
- (ii) 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;
- (iii) The terms "Clause" and "Schedule" refer to the specified clause and schedule of this Agreement respectively;
- (iv) 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 New Investor, initialled for the purpose of identification, or confirmed by e-mail, by or on behalf of each of them;
- (v) 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;

- (vi) The Schedules shall constitute an integral part of this Agreement;
- (vii) Any capitalized terms used in any Schedule but not otherwise defined therein, shall have the meaning as defined in this Agreement;
- (viii) The index, bold typeface, headings and titles herein are used for convenience of reference only and shall not affect the construction of this Agreement;
- (ix) 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;
- (x) 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;
- (xi) 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;
- (xii) References to writing shall include any modes of reproducing words in a legible and non-transitory form;
- (xiii) 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;
- (xiv) References to INR means Indian Rupees;
- (xv) 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;
- (xvi) 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; and
- (xvii) 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.

## 2. AGREEMENT TO SUBSCRIBE TO SUBSCRIPTION SHARES



- 2.1 On or prior to the Execution Date, each Party shall have obtained necessary corporate approvals authorising its execution of this Agreement and performance of all obligations contemplated hereunder.
- 2.2 Subject to the terms and conditions of this Agreement, including the fulfilment of the Conditions Precedent (unless waived by the New Investor in accordance with Clause 3), the New Investor agrees to subscribe to, and the Bank agrees to issue and allot to the New Investor, the Subscription Shares at a price of INR 468 (Rupees Four Hundred and Sixty Eight only) (calculated on the basis of 2.74 multiple of trailing quarter book value i.e. Quarter End ending on 31 December 2022) as determined in accordance with the Applicable Law per Subscription Share ("New Investor Valuation"), for an aggregate subscription amount of INR 49,50,03,600/- (Rupees Forty Nine Crores Fifty Lakhs Three Thousand Six Hundred only) (the "Subscription Amount").
- 2.3 The shareholding pattern and the Share Capital of the Bank as on the Execution Date is as set out in Part A of Schedule III and immediately after the Closing will be as set out in Part B of Schedule III.
- 2.4 The Parties hereby agree that the New Investor is entering in this Agreement and subscribing to the Subscription Shares on the promise that the Existing Shareholders' Agreement and Articles will be amended in accordance with the terms as set out in this Agreement (subject to the Bank obtaining the approval of RBI in this respect). The Bank, Promoters and Key Shareholders hereby: (i) agree that their obligations as set out at Clause 8.1(iv) are unconditional and irrevocable in accordance with their terms; and (ii) undertake that the New Investor can seek specific performance of the undertakings set out at Clause 8.1(iv) in accordance with their terms.

### 3. CONDITIONS PRECEDENT

- 3.1 The obligation of the New Investor to subscribe to the Subscription Shares and pay the Subscription Amount on the Closing Date is conditional upon fulfilment of each of the following conditions set out below (the "Conditions Precedent"), to the satisfaction of the New Investor, any of which may be waived (subject to Applicable Law) by the New Investor:
- (i) Each of the Representations and Warranties made by the Bank and the Promoters set out in Clause 5, shall be true and accurate in all respects, except to the extent disclosed in the Disclosure Letter and the Updated Disclosure Letter, as the case may be, at the Execution Date and as of the Closing Date, as if made at and as of such date;
  - (ii) All Approvals in relation to the Business shall be in full force and effect;
  - (iii) The Bank and the Promoters shall have performed in all respects all, and shall not have breached in any respect any, of its or their obligations under this Agreement required to be performed by it or them on or prior to the Closing Date;
  - (iv) There shall not be in effect, any writ, judgment, injunction, decree, or similar order of any Governmental Authority restraining or otherwise preventing the consummation of any of the transactions contemplated by this Agreement;





- (v) There shall not be instituted or pending any proceeding by any Person before any Governmental Authority, seeking to (a) restrain, prohibit or otherwise interfere with the ownership or operation of all or any material portion of the business or material assets (excluding current assets) of the Bank or to compel disposal of all or any material portion of the business or material assets (excluding current assets) of the Bank; or (b) to the knowledge of the Bank and the Promoters impose or confirm limitations on the ability of the New Investor or any of its Affiliates effectively to exercise full rights of ownership of any Equity Shares, including the right to vote any voting Equity Shares on all matters properly presented to the Shareholders;
- (vi) The Board or the Securities Committee, as the case may be, shall have passed resolutions approving the following, and receipt by the New Investor of a certified true copy of such resolutions passed by the Board:
- (a) issue of the Subscription Shares to the New Investor and execution of documentation in relation thereto; and
  - (b) issue of a notice to the Shareholders, to approve the matter set out in sub-clause (vii) below;
- (vii) The Shareholders shall have, (A) in accordance with Applicable Law, duly approved by way of a special resolution, issue of the Subscription Shares to the New Investor, in accordance with the provisions of this Agreement and in compliance with the Applicable Law and such other items as agreed between the Parties, and (B) waived or exercised their pre-emptive rights (if applicable) and other related rights;
- (viii) The Bank shall have placed a copy of the certificate of its statutory auditor or practising company secretary, before the General Meeting of the Shareholders, as set out in sub-clause (vii) (A) above, certifying that the Subscription Shares are being issued to the New Investor, in accordance with the requirements of Applicable Law;
- (ix) The Bank shall have filed with the RoC and shared with the New Investor a copy of Form MGT-14 (along with the challan generated upon filing with the RoC) in relation to the resolutions of the Board or the Securities Committee, as the case may be, and the Shareholders approving the issuance of the private placement offer letter as per the Allotment Rules to the New Investor;
- (x) Issue by the Bank, of an offer or invitation to the New Investor to subscribe to the Subscription Shares through issue of a private placement offer letter in the format set out in Form PAS-4 of the Allotment Rules, which shall contain such information as required in accordance with the Allotment Rules;
- (xi) There being no change in any Applicable Law which prohibit the consummation of the Closing;
- (xii) No event, occurrence, change, effect or condition of any character shall have occurred following the Execution Date that, has had a Material Adverse Effect;
- (xiii) The Bank shall have provided a valuation report from a valuer authorized and permitted in terms of the Act for carrying out such a valuation, setting out the



valuation of the Subscription Shares, in accordance with the requirement of the Applicable Law;

- (xiv) Receipt of Approvals (if any) required for the transactions contemplated under this Agreement;
  - (xv) The Bank and Promoters shall have provided the Updated Disclosure Letter to the New Investor, at least 2 (two) Business Days prior to the Closing Date unless otherwise mutually agreed in writing between the Core Promoter and the New Investor;
  - (xvi) The Bank shall have opened the Bank Designated Bank Account and provided the New Investor with the details of the same under the CP Fulfilment Notice;
  - (xvii) The Bank shall have obtained and provided to the New Investor a copy of a side letter issued by the Bank and the Promoters which has been accepted by at least 3 (three) Investors, as defined under the Existing Shareholders' Agreement, confirming the extension of the QIPO Date by at least 9 (nine) months ("Side Letters"); and
  - (xviii) The Bank shall have obtained and provided to the New Investor a copy of a legal opinion obtained by the Bank from an independent practicing advocate certifying that this Agreement has been duly executed by the Bank, Promoters and Key Shareholders.
- 3.2 Notwithstanding anything contained elsewhere in this Agreement the New Investor shall have the right, at its sole and absolute discretion, to waive any of the Conditions Precedent by notifying (in writing) the Bank and, or, the Promoters of such waiver. The New Investor may also, in lieu of performance of any of the Conditions Precedent require that such of the Conditions Precedent be treated as conditions subsequent to the Closing and are performed within such period after the Closing as the New Investor may direct in writing.
- 3.3 Following the receipt of the offer from the Bank in the manner as set out in Clause 3.1(x) above, the New Investor shall submit duly filled out application form (as provided to the New Investor along with the private placement offer letter) to the Bank and shall provide the details of the Subscriber Demat Account to the Bank.
- 3.4 The Bank and the Promoters shall use best efforts to fulfil the Conditions Precedent on or before the Long Stop Date.
- 3.5 Satisfaction Process
- (i) On fulfilment of the Conditions Precedent, the Bank and the Core Promoter shall, within 3 (Three) Business Days of such fulfilment, intimate the New Investor in writing of the same in the form set out in Schedule IV (the "CP Fulfilment Notice") and provide all supporting documents, as applicable, evidencing such fulfilment;
  - (ii) The New Investor shall, within 10 (Ten) Business Days from the receipt of the CP Fulfilment Notice, communicate its satisfaction or dissatisfaction with the fulfilment of the Conditions Precedent or if not already waived previously, at its sole and absolute discretion, of its decision to waive the fulfilment of any of the Conditions Precedent to the Bank and the Core Promoter (the "New Investor Satisfaction Notice"). Notwithstanding anything set out in this Agreement, the Parties hereby agree that in the event that the New Investor does not issue the New



Investor Satisfaction Notice within 10 (Ten) Business Days from the receipt of the CP Fulfilment Notice confirming satisfaction with the fulfilment of all the Conditions Precedent (unless already waived by the New Investor) or communicating its dissatisfaction with the fulfilment of the Conditions Precedent then the New Investor shall be deemed to have been satisfied of the fulfilment of all the Conditions Precedent (unless already waived by the New Investor);

- (iii) In case the New Investor notifies the Bank and, or, the Core Promoter of its dissatisfaction with the fulfilment of any Condition Precedent, the Bank and, or, the Core Promoter, as the case may be, shall fulfil the relevant Conditions Precedent within 5 (Five) Business Days of receipt of the New Investor Satisfaction Notice and shall provide to the New Investor all requisite documents evidencing fulfilment of those conditions;
- (iv) The procedure in this Clause 3.5 shall be followed thereafter until the earlier of (a) all the Conditions Precedent are fulfilled to the satisfaction of the New Investor, or waived, in writing, by the New Investor; and (b) the Long Stop Date;
- (v) If the New Investor: (i) has issued a New Investor Satisfaction Notice confirming its satisfaction of fulfilment of all Conditions Precedent or its satisfaction of fulfilment of some Conditions Precedent and waiving the remaining Conditions Precedent; or (ii) fails to notify the Bank and, or, the Core Promoter of its dissatisfaction with the fulfilment of any Condition Precedent within 10 (Ten) Business Days from the receipt of the CP Fulfilment Notice, then the Bank, Promoters, and the New Investor shall proceed with the Closing in accordance with Clause 7;
- (vi) For the avoidance of doubt, it is clarified that if, in breach of Clause 3.5(i), the Bank or, the Core Promoter refuse to sign or issue the CP Fulfilment Notice to the New Investor, it shall not affect the right of the New Investor to proceed with the Closing on the basis that the CP Fulfilment Notice shall be deemed to have been signed or issued by the Bank and the Core Promoter on the respective dates they should have been signed or issued in accordance with the terms of this Clause 3.5; and
- (vii) In the event the Conditions Precedent cannot be fulfilled on or before the Long Stop Date, then, the New Investor shall have the right (exercisable by a notice in writing to, the Core Promoter and the Bank) to extend the Long Stop Date, in which case, such extended date shall be deemed to be the Long Stop Date.

#### 4. USE OF PROCEEDS

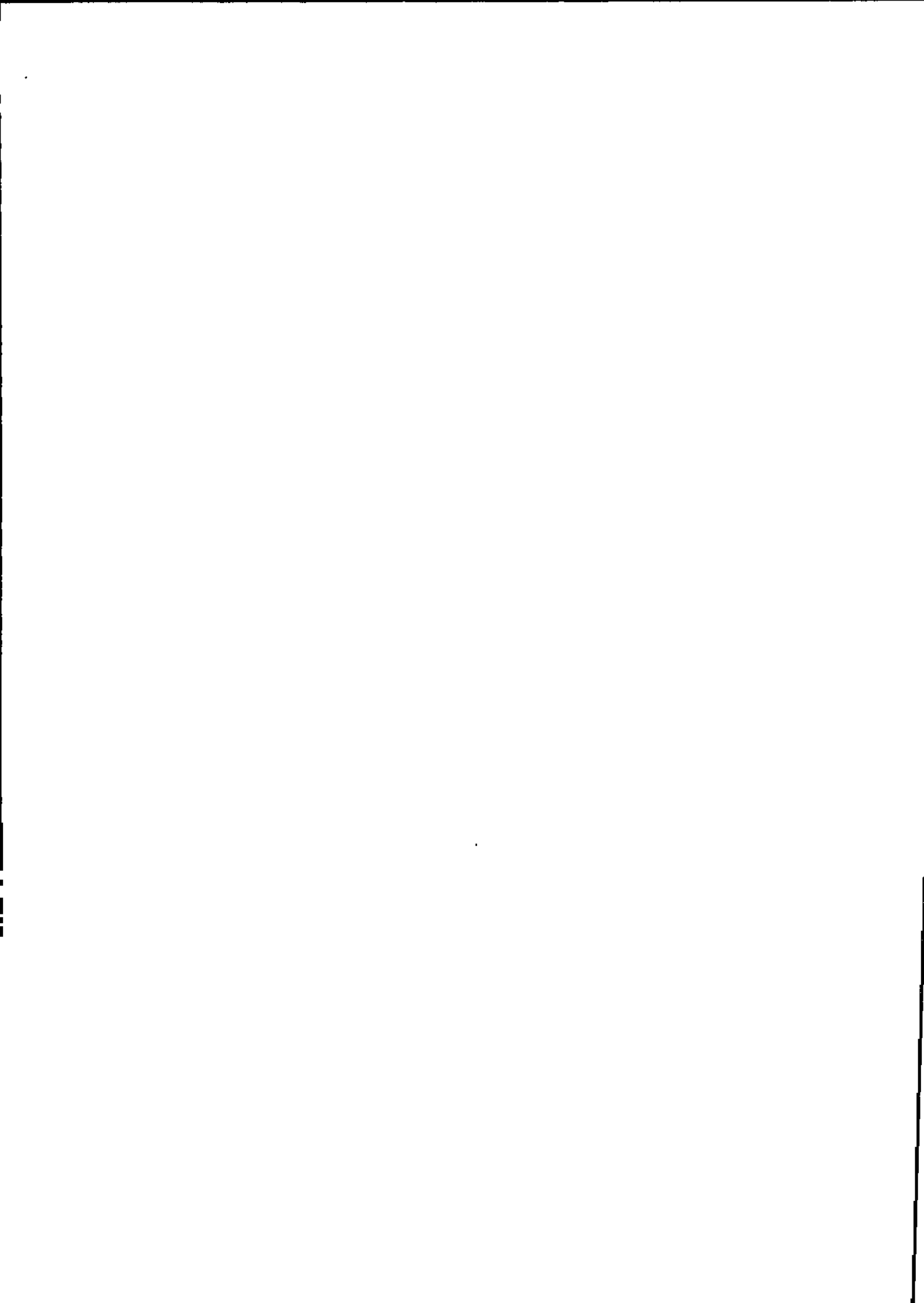
The proceeds received by the Bank in lieu of allotment of the Subscription Shares shall be used by the Bank, solely for the following purpose:

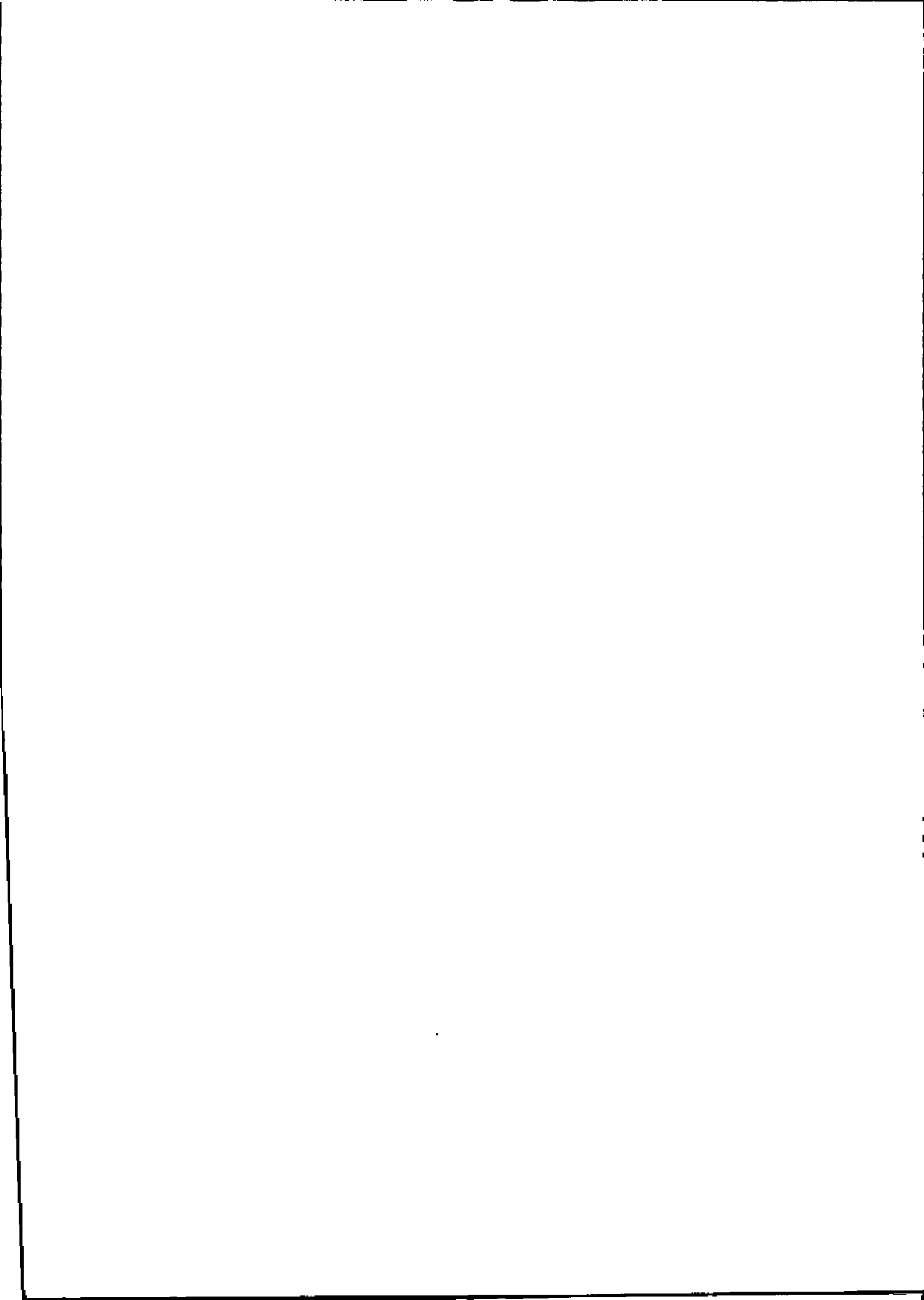
- (i) Towards the growth and expansion of the Business; and
- (ii) Any other purpose as mutually agreed in writing between the Parties.

#### 5. REPRESENTATIONS AND WARRANTIES

- 5.1 The Promoters and the Bank (the "Warrantors") jointly and severally represent and warrant (as applicable) to the New Investor that the representations, warranties and statements set out in Schedule V (the "Representations and Warranties") are true and correct as of the Execution Date of this Agreement (except as set forth in the Disclosure







Letter) and the Closing Date (except as set forth in the Updated Disclosure Letter). The Representations and Warranties shall be specific, separate and independent and save as expressly provided shall be limited by reference to such paragraph, clause or provision in this Agreement as expressly set out in the Disclosure Letter and, or, the Updated Disclosure Letter and shall not be qualified by any actual or constructive knowledge of the New Investor, unless otherwise specified in the Disclosure Letter and, or, the Updated Disclosure Letter. The parties hereto agree that any information and documents contained in the Disclosure Letter and, or, the Updated Disclosure Letter shall only be deemed to be an exception to (or, as applicable, a disclosure for purposes of) the Representations and Warranties set forth in Part B of the Schedule V (i.e. except for the Fundamental Representations).

- 5.2 Notwithstanding anything to the contrary contained in this Agreement, for the purposes of the indemnity obligations of the Warrantors under this Agreement, all of the Representations and Warranties set forth in this Agreement or any certificate, information, Annexure or Schedule that are qualified as "material", "materiality" or words or similar import or effect shall be deemed to have been made without any such qualification for purposes of determining the amount of losses resulting from, arising out of or relating to any such breach of representation or warranty.
- 5.3 Save and except as disclosed in the Disclosure Letter or the Updated Disclosure Letter, as the case may be, none of the Representations and Warranties shall be treated as qualified by any investigation or due diligence conducted by or on behalf of the New Investor into the affairs of the Bank, or any knowledge acquired or capable of being acquired (whether pursuant to the due diligence or otherwise) at any time by or on behalf of the New Investor, whether before or after the Closing, with respect to the truthfulness, completeness or correctness of any Representations and Warranties, and no such investigation or knowledge shall prejudice any claim for breaches of Representations and Warranties or operate as to reduce any amount recoverable.
- 5.4 Notwithstanding anything contained in this Agreement or otherwise, none of the Representations and Warranties shall be treated as qualified by any actual, implied or constructive knowledge on the part of the New Investor or any of its agents, representatives, officers, employees or advisers.
- 5.5 The Warrantors hereby acknowledge and agree that the New Investor would not proceed with the investment contemplated herein but for the Representations and Warranties, and covenants hereunder. The Parties agree that the disclosures made in respect of the Representations and Warranties in the Disclosure Letter are complete and final as of the Execution Date. The Bank reserves the right to serve an updated disclosure letter, in a form and substance acceptable to the New Investor, qualifying the Representations and Warranties (except the Fundamental Representations), at least 2 (two) Business Days before the Closing Date (the "Updated Disclosure Letter"), provided that all updated and, or, additional qualifications made in the Updated Disclosure Letter shall be solely attributable to the occurring of such events during the period expired between the Execution Date and the Closing Date.
- 5.6 The New Investor represents and warrants to the Bank that each of the following representations, warranties and statements are materially true, correct and not misleading, as of the Execution Date and the Closing Date:



- (i) it has the legal right, power and authority to execute, deliver and perform its obligations under this Agreement and to consummate the transactions contemplated by this Agreement;
- (ii) it is duly organized and validly existing under the Applicable Law;
- (iii) this Agreement on execution would constitute a legal, valid and binding obligation of the New Investor, enforceable against it in accordance with its terms; and
- (iv) the consummation of the transactions contemplated hereby, does not conflict with, contravene, result in a violation or breach of or default under: (a) any provision of the New Investor's charter documents, or (b) any order, judgment or decree of any court or other Governmental Authority to which the New Investor is a party.

## 6. CONDUCT PRIOR TO CLOSING

6.1 During the Interim Period, the Bank shall operate only in the Ordinary Course of Business. Without prejudice to the foregoing, the Bank shall not and shall not agree to, and the Promoters shall ensure that the Bank shall not agree to, except as expressly permitted or required by or contemplated in this Agreement, without the prior written approval of the New Investor.

- (i) amend or modify its Charter Documents;
- (ii) enter into any Contract or arrangement for the Transfer of any immovable property of the Bank;
- (iii) sell, lease, Transfer in any manner whatsoever or create an Encumbrance on its assets, except in the Ordinary Course of Business;
- (iv) merge, restructure, consolidate, amalgamate, liquidate, wind up or dissolve the Bank, or commence any proceedings in relation to any of the foregoing;
- (v) take any actions that are not consistent with the Ordinary Course of Business;
- (vi) re-value any asset or liabilities;
- (vii) enter into any Contract involving an expenditure by the Bank on capital account in excess of INR 1,00,00,000 (Rupees One Crore only), on an individual basis except in the Ordinary Course of Business;
- (viii) enter into any individual Contract, liability or commitment (whether in respect of capital expenditure or otherwise) that is of a value in excess of INR 1,00,00,000 (Rupees One Crore only) except in the Ordinary Course of Business;
- (ix) acquire any asset or dispose of or agree to acquire or dispose-off, any property, right or interest of a value or price in excess of INR 1,00,00,000 (Rupees One Crore only) on an individual basis, except in the Ordinary Course of Business;
- (x) declare or agree to declare any dividend (including interim dividends) save and except the annual dividends (not exceeding 15% (fifteen per cent) of the face value of the Equity Share) to be declared in respect of the Financial Year 2022-23;



- (xi) waive a material right outside the Ordinary Course of Business and, or, release a material debtor (i.e. owing in excess of INR 50,00,000 (Rupees Fifty Lakhs only) to the Bank) on terms that it pays less than the book value of its debt and, or, defer, subordinate or write off or prove to any extent irrecoverable, any debt in excess of INR 1,00,00,000 (Rupees One Crore only);
- (xii) except in the Ordinary Course of Business, make in excess of INR 20,00,000 (Rupees Twenty Lakhs only) (excluding any statutory expense or excluding expenditure incurred by the Bank on corporate social responsibility activities undertaken in accordance with Applicable Law) as expenses, which will not be deductible for taxation purposes either in computing the profits of the Bank or in computing the taxation chargeable on the Bank;
- (xiii) change the terms of the compensation and, or, remuneration of the directors and the Senior Management Team of the Bank except as a part of the annual salary increment;
- (xiv) change the face value of or the rights attached to any of the shares or take any action through reorganization, consolidation, merger, sale of assets or otherwise resulting in the dilution of the interest of the New Investor;
- (xv) make any change in the capital structure of the Bank by way of an allotment or issue of Securities (including any existing right to issue or grant of any right or option to subscribe or purchase Securities) or any change to the capital structure of the Bank pursuant to a redemption, buy-back or cancellation of any Securities of the Bank, except as contemplated in this Agreement and except any grant or vesting of employee stock options or allotment of Securities consequent to exercise of employee stock options in accordance with the Existing ESOP Plans;
- (xvi) amend or modify its Existing ESOP Plans;
- (xvii) change its auditors, or make any changes in accounting policies and practices;
- (xviii) except in the Ordinary Course of Business, settle any litigation, dispute or complaint with a Third Party, employee, Shareholders of the Bank (including the Promoter) or a Governmental Authority;
- (xix) enter into any joint ventures and partnerships or acquisition of any business or undertaking, or make any investments;
- (xx) avail any financial indebtedness above INR 2,00,00,000 (Rupees Two Crore only), except in the Ordinary Course of Business and save and except the proposed raising of Tier II Bonds of an amount up to INR 40,00,00,000 (Rupees Forty Crores only) to be raised by the Bank. For the purpose of this clause 'Tier II Bonds' bear the meaning assigned at Applicable Law;
- (xxi) transfer or create any Encumbrance on the Equity Shares held by the Promoters;
- (xxii) cease to conduct or carry on the Business or commence any new line of business;
- (xxiii) enter into any transaction with any Related Party or modify any arrangement or agreement with any Related Party;
- (xxiv) perform such actions or permit such actions that would constitute a breach of any of the Representations and Warranties or covenants under this Agreement;





- (xxv) enter into any amendments to the Side Letters; and
- (xxvi) enter into any agreement or arrangement in relation to the foregoing.
- 6.2 The Bank and the Promoters further covenant to the New Investor, that from the date hereof and until the Closing Date:
- (i) none of the Bank or the Promoters shall enter into any agreement or understanding or solicit or approach any Third Party with regard to (a) any investment in the Bank in any manner; or (b) any transaction for the acquisition, Transfer of the Securities, assets or the Principal Business of the Bank;
  - (ii) the Promoters shall exercise its voting rights at any meeting of the Board or committees of the Board or the Shareholders of the Bank to give effect to the transactions contemplated under this Agreement; and
  - (iii) subject to compliance with Applicable Law, the Bank and the Promoters shall provide all material information in relation to the Bank or in relation to the transactions contemplated in this Agreement (including but not limited to an inability to fulfil a Conditions Precedent or breach of any obligations set out in this Clause 6), at the earliest.
- 6.3 The Bank and the Promoters undertake to promptly notify the New Investor in writing, if any of them become aware of any fact, matter or circumstance (whether existing on or before the date of this Agreement or arising afterwards) which would cause any of the Representations and Warranties or covenants to become untrue, inaccurate or misleading in any respect.

## 7. CLOSING ACTIONS

- 7.1 Subject to fulfilment or waiver of all the Conditions Precedent in terms of Clause 3, the Closing shall take place at the registered office of the Bank (or at such other place as may be agreed between the Parties in writing) on a date specified by the New Investor in writing, to the Bank, the Promoters (the "Closing Date"), which date shall not be later than a period of 7 (Seven) Business Days from the earlier of (a) the date on which all the Conditions Precedent are fulfilled to the satisfaction of the New Investor, or waived, in writing, by the New Investor (as the case may be) in accordance with Clause 3.5; or (b) the Long Stop Date.
- 7.2 If the Closing has not occurred on or prior to the Long Stop Date, the New Investor (but not any other Party) shall have the right, but not the obligation, to terminate this Agreement by giving the other Parties written notice of such termination, pursuant to which the Parties shall have no obligation to proceed further and shall be relieved and discharged from all liabilities hereunder other than in respect of any prior breach of this Agreement.
- 7.3 The completion of the actions mentioned in Clause 7.4 shall constitute closing under this Agreement (the "Closing"). Each of the activities listed in Clause 7.4 shall be given effect to, simultaneously (or as proximate in time to each other as practicable) and the Closing shall be deemed to have occurred when all of the activities contemplated in Clause 7.4 have been completed and are duly effective.
- 7.4 On the Closing Date, the following events shall take place:



- (i) the New Investor shall remit its Subscription Amount to the Bank Designated Bank Account by way of wire transfer or such other method as may be acceptable to the Bank, subject to compliance with Applicable Law;
- (ii) The Bank shall conduct a meeting of the Board and, or, the Securities Committee, as the case may be, to allot and issue the Subscription Shares to the New Investor free from any Encumbrances except as set forth in this Agreement, Existing Transaction Documents, Existing ESOP Plans and the Charter Documents;
- (iii) The Bank shall allot the Subscription Shares to the New Investor, issue irrevocable instructions through email to its registrar and transfer agent to credit the Subscriber Demat Account with the Subscription Shares and shall provide the New Investor with copies of the foregoing instructing email;
- (iv) The Bank shall issue a duly stamped and executed letter of allotment to the New Investor to record the allotment of the Subscription Shares to the New Investor as set out in (iii) above;
- (v) The Bank shall, and the Promoters shall ensure that the Bank shall pay the applicable stamp duty on the Subscription Shares allotted by the Bank to the New Investor and provide to the New Investor evidence of such payment having been made; and
- (vi) The Bank shall, and the Promoters shall ensure that the Bank shall update Form PAS-5 of the Allotment Rules with respect to the record of the private placement offer made to the New Investor.

7.5 The transactions contemplated under this Agreement to be consummated at the Closing shall be deemed to occur simultaneously and no such transaction shall be consummated unless all such transactions are consummated.

## 8. POST-CLOSING ACTIONS AND COVENANTS

8.1 The Bank shall, and the Promoters shall ensure that the Bank shall, take the following actions:

- (i) promptly and not later than 30 (thirty) days of the Closing, file Form PAS-3 of the Allotment Rules with the RoC for issue of the Subscription Shares to the New Investor;
- (ii) promptly and not later than 30 (thirty) days of the Closing, furnish complete details of the issue of the Subscription Shares to RBI in compliance with the Guidelines;
- (iii) promptly and not later than 30 (thirty) days of the Closing, undertake all such acts, deeds and make all such filings, as may be required, under the Applicable Law, for allotment of the Subscription Shares to the New Investor;
- (iv) Within 120 (one hundred and twenty) days of the Execution Date, the Bank, the Promoters and the Key Shareholders will on best-efforts basis agree on the amendments (as listed below) to be carried out to the Existing Shareholders' Agreement with the other existing Shareholders and Articles (the latter i.e. amendments to Articles being to the satisfaction of the New Investor), as applicable, and within 30 (thirty) days of reaching such agreement, the Bank shall seek RBI's approval for the amended Articles. If RBI's approval is received by the Bank, then within 45 (forty five) days of obtaining the approval of the RBI for the



amended Articles, the Bank will conduct a meeting of the Shareholders to approve the amendments to the Articles. The above activity shall, subject to the approval of RBI, promptly and on best efforts basis be completed within 270 (two hundred and seventy) days of the Closing. For the purpose of this Clause, the amendments to the Existing Shareholders' Agreement and Articles proposed are:

- a. Amend the definition of 'Other Investor' as set out under the Existing Shareholders' Agreement and the Articles to include the New Investor such that the amended definition reads as "...Other Investor" shall mean ICICI Prudential Life Insurance Company Limited, HDFC Standard Life Insurance Company Limited and Max Life Insurance Company Limited..."
  - b. Extend the QIPO Date by at least 9 (nine) months; and
  - c. Amend Article 9 (to the satisfaction of the New Investor) of Part II of the Articles and Clause 11 of the Existing Shareholders' Agreement such that the New Investor is entitled to the anti-dilution rights stipulated therein; and
  - d. Amend the Existing Shareholders' Agreement and the Articles to stipulate that till 24 (twenty four) months from the Closing save and except for any Equity Shares or Securities (including employee stock options) granted, vested, issued or allotted pursuant to the employee stock option plan of the Company (as applicable at the relevant time): (i) any issuance of Equity Shares by the Bank at a subscription price lower than INR 468/- (Rupees Four Hundred and Sixty Eight only) per Equity Share having face value of INR 10/- (Rupees Ten only); and (ii) any issuance of Securities (other than Equity Shares) by the Bank wherein the conversion price vis-à-vis the underlying Equity Shares is or is proposed to be lower than INR 468/- (Rupees Four Hundred and Sixty Eight only) per Equity Share having face value of INR 10/- (Rupees Ten only), will in each case be subject to the prior consent of the New Investor and each of the Investors (as defined under the Existing Shareholders' Agreement).
- (v) Subject to receipt of RBI's approval and amendment of Articles report the amendment to the Articles by filing Form MGT-14 within the timeline prescribed by Applicable Law.

8.2 The Bank hereby covenants that after Closing and prior to amendment of the Articles and the Existing Shareholders' Agreement as stipulated at Clause 8.1 it shall not amend the Side Letters such that it results in preponement of the QIPO Date to any date prior to 30 April 2024 without the approval of the New Investor.

8.3 The Bank hereby covenants that after amendment of the Articles and the Existing Shareholders' Agreement as stipulated at Clause 8.1 it shall not amend the Articles or the Existing Shareholders' Agreement where such amendment results in: (i) preponement of the QIPO Date to any date prior to 30 April 2024; or (ii) deletion or dilution of the rights of the New Investor included in the Existing Shareholders' Agreement and the Articles in accordance with Clause 8.1, in each case without the approval of the New Investor. For the avoidance of doubt, it is clarified that any dilution of the shareholding of the New Investor or granting of additional rights to a new prospective investor or existing investor shall not be deemed to result in any dilution of the rights of the New Investor included in the Existing Shareholders' Agreement and the Articles in accordance with Clause 8.1 as set out at sub-clause (ii) hereof.



## 9. INFORMATION

9.1 The Bank hereby covenants and undertakes to provide the New Investor with:

- (i) Quarterly reports on the implementation of the Business Plan within 45 (forty five) days after each Quarter End;
- (ii) Internally prepared quarterly Financial Statements within 45 (forty five) days after each Quarter End;
- (iii) Audited annual Financial Statements within 2 (two) months after the end of the Financial Year;
- (iv) Annual budget within 2 (two) months of the ensuing Financial Year;
- (v) Details of any event of force majeure or any other event which would have a Material Adverse Financial Consequence;
- (vi) Copies of any material amendments to or terminations of Approvals or any other regulatory actions taken in respect of the Bank or the Promoters and relevant correspondences with Governmental Authorities which would have a Material Adverse Financial Consequence, if sharing such information is permissible under Applicable Law; and
- (vii) Any other information as may be reasonably requested by the New Investor from time to time subject to Applicable Law.

## 10. INDEMNITY

10.1 The Promoters (each an "Indemnifying Party" and collectively referred to as the "Indemnifying Parties") hereby agree that they shall during the relevant Indemnification Period jointly and severally indemnify the New Investor and, or, its respective officers, directors, employees, agents, representative and Affiliates (each an "Indemnified Person" and collectively, the "Indemnified Persons"), in accordance with this Clause 10, against, and hold each Indemnified Person harmless and keep them at all times fully indemnified and held harmless from and against all actions, claims, liabilities (including statutory liability), penalties, demands and costs (including without limitation, reimbursement of any loss suffered by the New Investor and, or, its officers, directors employee, agent or affiliate and their legal costs), awards, damages, losses and, or, expenses (the "Losses") arising directly or indirectly as a result of any of the following events occurring prior to the Indemnity Liability Termination Date: (a) any misrepresentation in, inaccuracy in or breach by the Indemnifying Parties of the General Representations; (b) any misrepresentation in, inaccuracy in or breach by the Indemnifying Parties of the Fundamental Representations; (c) any breach or non-performance by the Bank and, or, the Promoters of any of its undertakings, warranties or obligations under this Agreement or arising out of legal or indemnity claims made by third parties; (d) any liability and, or, obligation arising out of any business transaction or dealings of the Bank or any act or omission of the Bank, or relating to any litigation, claim or governmental investigation pending or relating to the business operations of the Bank in each case where the such transaction, dealing, act, omission, litigation, claim, or governmental investigation is arises with respect to an action which is in breach of Clause 6; (e) fraud, gross negligence, gross misconduct, or wilful default committed by the Bank and, or, the Promoters; and (f) any payment by the Bank to



a Shareholder not being the New Investor pursuant to any indemnity being triggered by such Shareholder; (g) any violation of the Applicable Law, in respect of any action specified in Clause 6 which would result in a Material Adverse Effect, including the Indian Labour Laws or the terms of any Approval, by any of the Indemnifying Parties; and any claim of indemnity by a Person not being the New Investor arising thereto (collectively, the "Claims").

- 10.2 The Promoters (as Indemnifying Parties) hereby agree that they shall jointly and severally indemnify the Indemnified Persons against, and hold each Indemnified Persons harmless and keep them at all times fully indemnified and held harmless from and against, the Losses arising directly or indirectly as a result of any liability imposed by a Governmental Authority (including SEBI) with respect to non-compliance with the extant Applicable Law in relation to the issuance of Securities undertaken by the Bank since its incorporation.
- 10.3 It is clarified and acknowledged that any Losses incurred or suffered by the Bank shall be deemed to be Losses of the Indemnified Person and the same would result in loss or diminution in value for the New Investor (each being a "Diminution in Value Consequence"). The Indemnified Persons shall be entitled to claim and recover such Diminution in Value Consequence in proportion to the aggregate shareholding of the Indemnified Persons in the Bank (at the time of indemnification), as Losses suffered by the Indemnified Person in accordance with Clause 10.1.
- 10.4 The indemnification rights of the Indemnified Persons under this Agreement are independent of, and in addition to, such other rights and remedies they may have under Applicable Law, tort law or in equity or otherwise, including the right to seek specific performance, rescission, restitution or other injunctive relief, none of which rights or remedies shall be affected or diminished thereby.
- 10.5 An Indemnified Person may raise a Claim at any time during the relevant Indemnification Period by issuing written notice of the Claim via email and registered post to the Indemnifying Parties provided always that the notice of such Claim is received by the Indemnifying Parties within 15 (fifteen) days of the Indemnified Person becoming aware of the Claim, subject to the following:
- (i) The Claim notice must specify in reasonable detail (a) the nature and basis for the Losses, (b) the nature of the breach of Representations and Warranties, breach of covenant or claim or disclosures to which such item is related, (c) the amount claimed, and (d) such other details in respect of the Claim: as may be available with the Indemnified Person;
  - (ii) If an Indemnifying Party objects to the Claim set out in the claim notice, the Indemnifying Party shall, within 15 (fifteen) days after receipt by the Indemnifying Party of the Claim notice, deliver to the Indemnified Person a notice to such effect and the Indemnifying Party shall, within 15 (fifteen) Business Days from the date of receipt by the Indemnified Person of such objection, attempt in good faith to agree upon the obligations and liabilities of the Indemnifying Parties with respect to each of such Claims to which the Indemnifying Party shall have so objected;
  - (iii) If the Parties succeed in reaching an agreement on the Indemnifying Parties obligations and liabilities with respect to any of such Claims, the Parties shall prepare and sign a memorandum setting out such agreement. Should the Parties be



unable to agree as to any particular item or items or amount or amounts, the dispute shall be settled in accordance with the procedure set out in Clause 11;

- (iv) It is clarified that the Indemnifying Parties shall have no obligation to make any payments under this Clause 10 until and unless an award or an interim award or order is issued in terms of Clause 11 and all payments shall be made in accordance with such award or order as the case may be; and
- (v) The Claims for Losses specified in any Claim notice to which the Indemnifying Parties do not object in writing within 15 (fifteen) Business Days of receipt of the Claim notice, and Claims for Losses which shall have been agreed by the Indemnifying Parties or been the subject of a determination by an award or order, as described in this Clause 10.5 shall be regarded as the agreed Claims between the Indemnifying Parties and the Indemnified Person ("Agreed Claim").

10.6 An Indemnified Person must inform the Indemnifying Parties in writing as soon as reasonably practicable via email and registered post, during the Indemnification Period, after receipt of any notice of Claim from a Third Party or Governmental Authority ("Third Party Claim") pursuant to and directly attributable to a matter that falls within the ambit of what is contemplated by the provisions of Clause 10.1, subject to the following:

- (i) Such notice for a Third Party Claim from the Indemnified Person must specify the facts giving rise to the Third Party Claim as understood by the Indemnified Person and specify the amount of the Third Party Claim and must be issued to the Indemnifying Parties together with a copy of the notice of the Third Party Claim;
- (ii) The Indemnifying Parties shall have the right, but not the obligation, to contest, defend and litigate (and to retain legal advisers of its choice in connection therewith) Third Party Claims, if they give notice of its intention to do so to the Indemnified Person. If the Indemnifying Parties contest, defend or litigate any Third Party Claims: (i) the Indemnified Persons will be consulted with respect to the counsel to be retained to defend the Third Party Claim; and (ii) no amount shall be paid, or agreed to be paid, to settle the Third Party Claim without concurrence of the Indemnifying Parties. Provided always that notwithstanding anything stated elsewhere in this Agreement where a Third Party Claim concerns the reputation of the New Investor then the New Investor may elect to defend and litigate (and to retain legal advisers of its choice in connection therewith) Third Party Claims and: (i) the Indemnifying Parties will be consulted with respect to the counsel to be retained to defend the Third Party Claim; and (ii) no amount shall be paid, or agreed to be paid, to settle the Third Party Claim without concurrence of the New Investor;
- (iii) If the Indemnifying Parties elect to assume such control over the defence or negotiations of the Third Party Claim, the Indemnified Person shall co-operate with the Indemnifying Parties. If the Indemnifying Parties do not so elect to assume such control, the Indemnified Person shall be entitled to assume such control. In such case, the Indemnifying Parties shall co-operate where necessary with the Indemnified Person and its counsel in connection with such Third Party Claims (at its own expense) and the Indemnifying Parties shall be bound by the results obtained by the Indemnified Person with respect to such Third Party Claims



provided that no amount shall be paid, or agreed to be paid, to settle the Third Party Claim without intimation of the Indemnifying Parties; and

- (iv) For the avoidance of doubt, it is clarified that a Third Party Claim will become an Agreed Claim and the Indemnifying Parties shall be liable to make payments thereunder if (a) the Indemnifying Parties elect not to take over the defence of such Third Party Claim and an order of a court or Governmental Authority is issued in respect of such Third Party Claim; or (b) the Indemnifying Parties elect to take over the defence of such Third Party Claim and a final order of a court or Governmental Authority is issued in respect of such Third Party Claim.

10.7 With respect to an Agreed Claim not being a Diminution in Value Consequence:

10.7.1 Within 60 (sixty) Business Days of any amounts being determined as Agreed Claims, the Indemnifying Parties shall pay to the Indemnified Person an amount equal to the amounts set out in the Claim notice by wire transfer to such designated bank account of the Indemnified Person as may be notified in writing; and

10.7.2 If the Indemnifying Parties indemnify and fully pay the Indemnified Person with respect to any Loss under this Agreement and the Indemnified Person, after receipt of the entire amount from the Indemnifying Parties, subsequently recovers such amount by payment from any Third Party ("Refund Amount"), the Indemnified Person shall remit the Refund Amount to the Indemnifying Parties within 7 (seven) Business Days, by wire transfer to such designated bank account of the Indemnifying Parties as may be notified in writing.

10.8 With respect to an Agreed Claim being a Diminution in Value Consequence:

10.8.1 Within 60 (sixty) Business Days of any amounts being determined as Agreed Claims, the Indemnifying Parties shall remit to Escrow Bank Account an amount equal to the amounts set out in the Claim notice by wire transfer to such designated bank account of the Indemnified Person as may be notified in writing; and

10.8.2 Such moneys will be dealt with in a manner mutually agreed by the Indemnifying Party and Indemnified Person.

10.9 Notwithstanding anything stated elsewhere in this Agreement but subject always to Clause 10.10 the Indemnifying Parties agree that the Indemnified Persons will not at any time be out of pocket with respect to a matter which is subject to indemnity in terms of this Clause 10 and the Indemnifying Parties will make payment to preclude the Indemnified Persons being out of pocket.

10.10 To the extent the payment by any Indemnifying Party of any indemnification payment pursuant to the provisions of this Clause 10 is subject to receipt of any Approval of any Governmental Authority, the Indemnifying Party shall cooperate with the Indemnified Person with such assistance as may be required by the Indemnified Person to obtain all such approvals, including in making all applications and taking all steps reasonably required to obtain the same.

10.11 All payments to be made by an Indemnifying Party to any Indemnified Person under this Agreement shall be made free and clear of and without any tax deduction unless such Indemnified Person is required to make a tax deduction under Applicable Law, in which case the sum payable by such Indemnifying Party (in respect of which such tax deduction



is required to be made) shall be increased to the extent necessary to ensure that such Indemnified Person receives a sum net of any deduction or withholding equal to the sum which it would have received had no such tax deduction been made or required to be made.

- 10.12 Subject to Applicable Law, the New Investor shall have the right to set off or deduct any amount payable by the Indemnifying Parties under this Clause 10 from any amounts payable by them to the Indemnifying Parties.
- 10.13 Following the principles set out at clauses 10.1 to 10.12 above, save and except to the extent of the Disclosure Letter and the Updated Disclosure Letter, the knowledge of any Indemnified Person of the subsistence of a breach, inaccuracy or misrepresentation of any of the warranties under this Agreement, which could give rise to a Claim, shall not in any manner preclude or affect or limit the right of the Indemnified Person to be indemnified by the Indemnifying Parties under this Agreement.
- 10.14 If any of the Indemnified Persons has been indemnified by any of the Indemnifying Parties with respect to certain Claims under this Agreement, this shall not prejudice the right of the Indemnified Person to be indemnified by the Indemnifying Party in respect of a distinct Claim arising under this Agreement regardless of whether such Claim pertains to the same matter as long as there is no double payment for the same Loss.
- 10.15 The Indemnified Person shall not be entitled to make any Claim against the Indemnifying Parties in respect of a Loss of an amount less than INR 20,00,000/- (Rupees Twenty Lakhs only) (the "De Minimis").
- 10.16 The Indemnified Person shall not be entitled to make a Claim in respect of any Losses, unless the aggregate amount of Claims (excluding Claims for an amount less than the De Minimis) exceed INR 50,00,000/- (Rupees Fifty Lakhs only) in value (the "Threshold Loss"). Upon the aggregate Claims (excluding the Claims for an amount less than the De Minimis) exceeding the Threshold Loss, the Indemnifying Parties shall be liable, subject to the provisions of this Clause 10, to compensate the Indemnified Person in respect of such amount of Losses. For the avoidance of doubt, upon the Indemnifying Party compensating the Indemnified Person in respect of the aggregate amount of the Losses as aforesaid, the Indemnifying Parties shall be liable to compensate the Indemnified Persons for fresh Claims (excluding the Claims for an amount less than the De Minimis) once such Claims exceed the Threshold Loss.
- 10.17 The limits set out under Clauses 10.15 and 10.16 and the disclosures (if any) made in the Disclosure Letter and, or, the Updated Disclosure Letter shall not apply to any indemnity claims with respect to:
- (i) any breach or mis-representation of any of the Fundamental Representations; and
  - (ii) matters pursuant to Clauses 10.1(e), and 10.2 of this Agreement.
- 10.18 Notwithstanding anything elsewhere contained in this Agreement, it is clarified that the maximum aggregate liability of the Indemnifying Parties in respect of the General Indemnities shall not exceed the Subscription Amount.
- 11. GOVERNING LAW, DISPUTE RESOLUTION AND JURISDICTION**
- 11.1 This Agreement shall be governed by, and construed in accordance with, the laws of India.





- 11.2 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 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 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.
- 11.3 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 11.3, the courts at Gurugram, Haryana, India shall have jurisdiction in relation to the Dispute.
- 11.4 All proceedings of such arbitration shall be in the English language.
- 11.5 The venue of the arbitration shall be Gurugram, Haryana, India.
- 11.6 The arbitration panel shall consist of 3 (three) arbitrators. The New Investor shall be entitled to nominate 1 (one) arbitrator, the Bank and, or, the Promoters shall be entitled to appoint 1 (one) arbitrator and the 2 (two) arbitrators so appointed as above shall jointly appoint a 3<sup>rd</sup> (third) arbitrator.
- 11.7 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 11.8.
- 11.8 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.
- 11.9 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.
- 11.10 The arbitration proceedings and all matters pertaining to the arbitration and all documents and submissions made therein pursuant to this Clause 11 shall be strictly confidential and subject to the provisions of Clause 12.
- 11.11 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.
12. **CONFIDENTIALITY**
- 12.1 Subject to Clause 12.2 below, each Party agrees with the other Parties that it will keep confidential and shall not disclose to any Third Party any Confidential Information, which it holds or receives, 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 concerned Party, as the case may be.

12.2 A Party may disclose the 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 Party receiving Confidential Information as of the date of its disclosure by the Person disclosing such Confidential Information;
- (iii) That may be required or appropriate in response to any litigation or potential litigation, provided that such recipient will use reasonable efforts to notify the provider of such information in advance of such disclosure so as to permit the provider of such information to seek a protective order or otherwise contest such disclosure, and such recipient 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, potential transferees and professional advisors, but only to the extent necessary and subject to such Persons accepting an equivalent confidentiality obligation to that set out in this Clause 12; 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 this Agreement.

13. NOTICES

- 13.1 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 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 or email specified below. The notice shall be effective upon the earlier of (i) actual receipt and (ii) deemed receipt under Clause 13.2 below:

To the Bank:

Attention : Munish Jain, Chief Operating Officer & Chief Financial Officer  
Address : Capital Small Finance Bank Limited, Midas Corporate Park, 3rd Floor, 37, G.T., Road, Jalandhar - 144001  
Telephone : 0181 - 5051111  
Email : [investorrelations@capitalbank.co.in](mailto:investorrelations@capitalbank.co.in)

To the Promoters:

Attention : Dinesh Gupta  
Address : 47, Defence Colony, Jalandhar - 144001  
Telephone : +91-9815164949



Email : [dineshgupta.cs@gmail.com](mailto:dineshgupta.cs@gmail.com)

**To the Core Promoter:**

Attention : Sarvjit Singh Samra

Address : 182 New Jawahar Nagar, Jalandhar city – 144 001

Telephone : +91 9872266022

Email : [ssamra@capitalbank.co.in](mailto:ssamra@capitalbank.co.in)

**To the New Investor:**

Attention : Chief Financial Officer and Chief Investment Officer

Address : 11th Floor, DLF Square Building, Jacaranda Marg, DLF City Phase – II,  
Gurugram -122002, Haryana

Telephone : + 91 9711772771

Email : [amrit.singh2@maxlifeinsurance.com](mailto:amrit.singh2@maxlifeinsurance.com) and  
[mihir.vora@maxlifeinsurance.com](mailto:mihir.vora@maxlifeinsurance.com)

13.2 Unless there is reasonable evidence that it was received at a different time, notice pursuant to this Clause 13 is deemed given if: (i) sent by established courier services or registered post, 3 (three) Business Days after posting it; (ii) 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 13.

13.3 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 Clause 13.

**14. TERM AND TERMINATION**

**14.1 Term**

This Agreement shall come into effect on the Execution Date and shall remain valid and binding on the Parties until such time that it is terminated in accordance with Clause 14.2.

**14.2 Termination**

(i) This Agreement shall terminate at the discretion of the New Investor if the Conditions Precedent have not been satisfied by the Long Stop Date;

(ii) This Agreement may be terminated at any time by the mutual agreement of the Parties.

14.3 Except as otherwise specifically provided herein, the termination of this Agreement for any reason whatsoever shall be without prejudice to any rights or obligations accrued to or in respect of the Parties prior to the date of termination.

**15. MISCELLANEOUS**



### 15.1 Counterparts

This Agreement shall be executed simultaneously in any number of counterparts, each of which shall be deemed an original, but all of which will constitute one and the same instrument.

### 15.2 Specific Performance

This Agreement shall be specifically enforceable at the instance of any Party. The Parties agree that a non-defaulting Party will suffer immediate, material, immeasurable, continuing and irreparable damage and harm if there is any material breach of this Agreement and the remedies at Law in respect of such breach will be inadequate (each Party hereby waives the claim or defence that an adequate remedy at Applicable Law is available) and that such non-defaulting Party shall be entitled to seek specific performance against the defaulting Party for performance of its obligations under this Agreement in addition to any and all other legal or equitable remedies available to it. Termination shall be without prejudice to all rights and remedies under Applicable Law or equity available to the non-defaulting Party including the right to seek indemnities for the breach from the defaulting Party.

### 15.3 Entire Agreement

This Agreement, together with all the Schedules, constitutes and contains the entire agreement and understanding between the Parties with respect to the subject matter hereof and supersedes all previous communications, negotiations, commitments, either oral or written between the Parties in respect of the subject matter hereof.

### 15.4 Severability

If for any reason whatsoever, any provision of this Agreement is or becomes, or is declared by any Governmental Authority (in accordance with Applicable Law) to be, invalid, illegal or unenforceable, then the Parties shall negotiate in good faith to agree on such provision to be substituted, which provisions shall, as nearly as practicable, leave the Parties in the same or nearly similar position to that which prevailed prior to such invalidity, illegality or unenforceability.

### 15.5 Further Actions

The Parties shall do or cause to be done such further acts, deeds, matters and things and execute such further documents and papers as may be reasonably required to give effect to the terms of this Agreement.

### 15.6 Rights Cumulative

- (i) The rights, powers, privileges and remedies provided in this Agreement are cumulative and are not exclusive of any rights, powers, privileges or remedies provided by Law or otherwise;
- (ii) Neither failure to exercise nor any delay in exercising any right, power, privilege or remedy under this Agreement shall in any way impair or affect the exercise thereof or operate as a waiver thereof in whole or in part;
- (iii) No single or partial exercise of any right, power, privilege or remedy under this Agreement shall prevent any further or other exercise thereof or the exercise of any other right, power, privilege or remedy.



#### 15.7 Affiliates

Any right of the New Investor under this Agreement to be issued Securities or have Securities Transferred to it shall include the right of the New Investor to have such Securities issued or Transferred to their Affiliate or Affiliates (at the sole discretion of the New Investor), without the consent of any other Parties.

#### 15.8 Successors and Assigns

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 New Investor, except to the extent specifically provided for herein. The New Investor 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.

#### 15.9 Cost and Expenses

15.9.1 The Bank shall reimburse or incur all the expenses required by the New Investor related to due diligence and drafting of this Agreement by Third Parties and their out-of-pocket expenses, including in the event due diligence is completed but the transaction as contemplated in this Agreement cannot be completed due to any adverse due diligence finding(s) as well as in the event the Bank does not fulfil the Conditions Precedent (other than Conditions Precedent that have been waived by the New Investor). The expenses shall be capped at INR 15,00,000/- (Rupees Fifteen Lakh only). However, such expenses shall be borne by the New Investor if the New Investor does not subscribe to the Subscription Shares after satisfactory completion of the due diligence, with no adverse findings and satisfactory fulfilment or waiver of all Conditions Precedent.

15.9.2 The Bank shall be responsible for the payment of any and all stamp duties related to the execution of this Agreement and for execution of any other such document incidental to this transaction.

#### 15.10 Survival

If this Agreement is terminated in accordance with Clause 14.2, it shall be of no further force and effect, except for provisions that survive the termination of the Agreement by implication, including but not limited to the provisions of Clauses 15.10 (*Survival*), 15.9 (*Cost and Expenses*), 13 (*Notices*), 12 (*Confidentiality*), 11 (*Governing Law, Dispute Resolution and Jurisdiction*), 10 (*Indemnities*), 5.1 (*Representations and Warranties of the Bank and Promoters*), 1 (*Definitions and Interpretation*).

Provided that termination shall, unless otherwise agreed by the Parties, be without prejudice to the accrued rights and obligations of the Parties at the date of such termination, including the rights of any Party in respect of a breach of this Agreement prior to such termination.

#### 15.11 Force Majeure

No Party to this Agreement will be liable for the non-performance, or defective or late performance, of any of its obligations hereunder to such extent and for such period of time as such non-performance, defective performance, or late performance is due to reasons outside such Party's control including without limitation acts of God, war (declared or



undeclared), civil insurrection or unrest, acts (including failure to act) of any Governmental Authority, riots, revolutions, fire, floods, strikes, lockouts, or industrial action.

**15.12 Relationship of the Parties**

The Parties are independent contractors. None of the Parties shall have any right, power or authority to enter into any agreement for or on behalf of, or incur any obligation or liability of, or to otherwise bind, the other Parties except as specifically provided by this Agreement. Nothing in this Agreement shall be interpreted or construed to create an association or partnership between the Parties, deem them to be persons acting in concert 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.

**15.13 Amendments and Waivers**

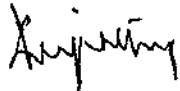
This Agreement may be modified, amended or supplemented only by the mutual written agreement of the Parties. A waiver or any failure or delay by the New Investor to require the enforcement of the obligations, agreements, undertakings or covenants in this Agreement shall not be construed as a waiver by the New Investor of any of their rights, unless made in writing referring specifically to the relevant provisions of this Agreement and signed by a duly authorized representative of the New Investor. Any such waiver shall not affect in any way the validity of this Agreement or the right to enforce such obligation, agreement, undertaking or covenant at any other time. All rights and remedies existing under this Agreement, except as otherwise provided herein are cumulative to, and not exclusive of any rights or remedies otherwise available.

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

For MAX LIFE INSURANCE COMPANY  
LIMITED



Authorized signatory

Name: Prashant Tripathy

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*This signature page forms a part of the Share Subscription Agreement executed on May 2, 2023 between Capital Small Finance Bank Limited, Max Life Insurance Company Limited, the Promoters 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



Authorized signatory

Name: SARJIT SINGH SAMRA

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BLANK]

*This signature page forms a part of the Share Subscription Agreement executed on May 2, 2023 between Capital Small Finance Bank Limited, Max Life Insurance Company Limited, the Promoters and the Key Shareholders.*





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

Signed and delivered by SARVJIT SINGH  
SAMRA

  
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*This signature page forms a part of the Share Subscription Agreement executed on May 2, 2023 between Capital Small Finance Bank Limited, Max Life Insurance Company Limited, the Promoters and the Key Shareholders.*



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

Signed and delivered on behalf of AMARJIT SINGH SAMRA by SARVJIT SINGH SAMRA authorised in this regard by the Power of Attorney dated April 28, 2023



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

Signed and delivered on behalf of NAVNEET  
KAUR SAMRA by SARVJIT SINGH SAMRA  
authorised in this regard by the Power of  
Attorney dated April 28, 2023



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

Signed and delivered on behalf of SURINDER  
KAUR SAMRA by SARVJIT SINGH SAMRA  
authorised in this regard by the Power of  
Attorney dated April 28, 2023



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

Signed and delivered on behalf of DINESH  
GUPTA by SARVJIT SINGH SAMRA  
authorised in this regard by the Power of  
Attorney dated April 28, 2023



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Signed and delivered on behalf of AMARJIT SINGH SAMRA by SARVJIT SINGH SAMRA authorised in this regard by the Power of Attorney dated April 28, 2023

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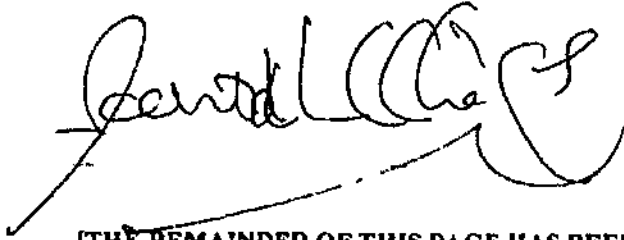
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**IN WITNESS WHEREOF**, the Parties have entered into this Agreement the day and year first above written.

**SANTOKH SINGH CHHOKAR**



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**SCHEDULE I**

**LIST OF PROMOTERS**

1. Mr. Sarvjit Singh Samra
2. Mr. Amarjit Singh Samra
3. Mrs. Navneet Kaur Samra
4. Mrs. Surinder Kaur Samra
5. Mr. Dinesh Gupta





**SCHEDULE II**

**PROMOTER & PROMOTER GROUP**

Sr. No.	Name of Shareholders	Number of Equity Shares	Percentage of Shareholding
1	Sarvjit Singh Samra	4,694,132	13.70%
1.1	Sarvjit Singh Samra (Promoter)	4,174,619	12.19%
1.2	Amarpreet Kaur (part of Promoter Group)	44,000	0.13%
1.3	Shahbaz Singh Samra & Sangram Singh Samra (part of Promoter group)	475,513	1.39%
2	Amarjit Singh Samra (Promoter)	1,640,864	4.79%
3	Navneet Kaur Samra (Promoter)	884,800	2.58%
4	Surinder Kaur Samra (Promoter)	936,486	2.73%
5	Dinesh Gupta	325,253	0.95%
5.1	Dinesh Gupta (Promoter)	295,920	0.86%
5.2	Dinesh Gupta-HUF (part of Promoter Group)	29,333	0.09%



**SCHEDULE III  
SHAREHOLDING PATTERN**

**PART A**

**EQUITY SHAREHOLDING PATTERN AND THE SHARE CAPITAL OF THE BANK AS  
OF EXECUTION DATE**

Sr. No.,	Category	No. of Equity Shares	Percentage
<b>A.</b>	<b>Promoters' holding:</b>		
A.1	Indian:		
A.1.1	Individual	84,81,535	24.76%
A.1.1.1	Sarvjit Singh Samra	46,94,132	13.70%
A.1.1.1.1	Sarvjit Singh Samra (Promoter)	41,74,619	12.19%
A.1.1.1.2	Amarpreet Kaur (part of Promoter Group)	44,000	0.13%
A.1.1.1.3	Shahbaz Singh Samra & Sangram Singh Samra (part of Promoter group)	4,75,513	1.39%
A.1.1.2	Amarjit Singh Samra (Promoter)	16,40,864	4.79%
A.1.1.3	Navneet Kaur Samra (Promoter)	8,84,800	2.58%
A.1.1.4	Surinder Kaur Samra (Promoter)	9,36,486	2.73%
A.1.1.5	Dinesh Gupta	3,25,253	0.95%
A.1.1.5.1	Dinesh Gupta (Promoter)	2,95,920	0.86%
A.1.1.5.2	Dinesh Gupta-HUF (part of Promoter Group)	29,333	0.09%
A.1.2	Bodies Corporate	-	-
A.2	Foreign Promoters	-	-
	Sub Total (A)	84,81,535	24.76%
<b>B</b>	<b>Non-Promoters' holding:</b>		
B.1	Institutional Investors:	1,07,87,324	31.49%
B.1.1	Domestic Institutional Investors	74,40,410	21.72%
B.1.1.1	ICICI Prudential Life Insurance Co. Ltd.	13,22,400	3.86%



Sr. No.	Category	No. of Equity Shares	Percentage
B.1.1.2	HDFC Standard Life Insurance Co. Ltd.	13,94,400	4.07%
B.1.1.3	Small Industries Development Bank of India	13,49,650	3.94%
B.1.1.4	Amicus Capital Private Equity I LLP	15,11,535	4.41%
B.1.1.5	Amicus Capital Partners India Fund I	1,75,445	0.51%
B.1.1.6	Pi Ventures LLP	16,86,980	4.93%
B.1.2	<b>Foreign Institutional Investors</b>	<b>33,46,914</b>	<b>9.77%</b>
B.1.2.1	Oman India Joint Investment Fund II	33,46,914	9.77%
B.2	<b>Directors and Relatives</b>	<b>39,190</b>	<b>0.11%</b>
B.3	<b>Others</b>	<b>1,49,44,405</b>	<b>43.63%</b>
	<b>Sub Total (B)</b>	<b>2,57,70,919</b>	<b>75.24%</b>
	<b>Total</b>	<b>3,42,52,454</b>	<b>100.00%</b>

**PART B**

**SHAREHOLDING PATTERN AND THE SHARE CAPITAL OF THE BANK  
IMMEDIATELY AFTER THE CLOSING**

Sr. No.	Category	No. of Equity Shares	Percentage
A.	<b>Promoters' holding:</b>		
A.1	<b>Indian:</b>		
A.1.1	<b>Individual</b>	84,81,535	24.02%
A.1.1.1	<b>Sarvjit Singh Samra</b>	46,94,132	13.29%
A.1.1.1.1	Sarvjit Singh Samra (Promoter)	41,74,619	11.82%
A.1.1.1.2	Amarpreet Kaur (part of Promoter Group)	44,000	0.12%



Sr. No.	Category	No. of Equity Shares	Percentage
A.1.1.1.3	Shahbaz Singh Samra & Sangram Singh Samra (part of Promoter group)	4,75,513	1.35%
A.1.1.2	Amarjit Singh Samra (Promoter)	16,40,864	4.65%
A.1.1.3	Navneet Kaur Samra (Promoter)	8,84,800	2.51%
A.1.1.4	Surinder Kaur Samra (Promoter)	9,36,486	2.65%
A.1.1.5	Dinesh Gupta	3,25,253	0.92%
A.1.1.5.1	Dinesh Gupta (Promoter)	2,95,920	0.84%
A.1.1.5.2	Dinesh Gupta-HUF (part of Promoter Group)	29,333	0.08%
A.1.2	Bodies Corporate	-	-
A.2	Foreign Promoters	-	-
	<b>Sub Total (A)</b>	<b>84,81,535</b>	<b>24.02%</b>
<b>B</b>	<b>Non-Promoters' holding:</b>		
B.1	<b>Institutional Investors:</b>	<b>1,18,45,024</b>	<b>33.55%</b>
B.1.1	<b>Domestic Institutional Investors</b>	<b>84,98,110</b>	<b>24.07%</b>
B.1.1.1	ICICI Prudential Life Insurance Co., Ltd.	13,22,400	3.75%
B.1.1.2	HDFC Standard Life Insurance Co. Ltd.	13,94,400	3.95%
B.1.1.3	Max Life Insurance Co Limited	10,57,700	3.00%
B.1.1.4	Small Industries Development Bank of India	13,49,650	3.82%
B.1.1.5	Amicus Capital Private Equity I LLP	15,11,535	4.28%
B.1.1.6	Amicus Capital Partners India Fund I	1,75,445	0.50%
B.1.1.7	Pi Ventures LLP	16,86,980	4.78%
B.1.2	<b>Foreign Institutional Investors</b>	<b>33,46,914</b>	<b>9.48%</b>



Sr. No.	Category	No. of Equity Shares	Percentage
B.1.2.1	Oman India Joint Investment Fund II	33,46,914	9.48%
B.2	Directors and Relatives	39,190	0.11%
B.3	Others	1,49,44,405	42.32%
	Sub Total (B)	2,68,28,619	75.98%
	Total	3,53,10,154	100.00%

The shareholding pattern set out in this Part B of Schedule III proceeds on the assumption that no other existing shareholder will subscribe to additional shares at Closing and only the New Investor will subscribe to the Subscription Shares.



**SCHEDULE IV  
CP FULFILMENT NOTICE**

To,

**MAX LIFE INSURANCE COMPANY LIMITED**  
[INSERT ADDRESS DETAILS]

Attention: [insert]

**Re: Share Subscription Agreement dated May 2, 2023 (the "SSA") executed by and amongst Capital Small Finance Bank Limited (the "Bank"), Max Life Insurance Company Limited and the Promoters and the Key Shareholders**

We refer to the SSA executed by the parties thereto. In this letter, all capitalized terms used herein but not defined shall have the meaning given to them under the SSA.

We hereby certify, confirm, declare and acknowledge that:

- (a) The Representations and Warranties made by the Bank and the Promoters in Clause 5 of the SSA and Schedule V of the SSA were true and correct when made, and are true and correct as of the Closing Date with the same force and effect as if they had been made on and as of such date, and the Bank has performed all obligations and conditions required to be performed or observed by it under the SSA on or prior to the Closing Date. There are no exceptions to the Representations and Warranties other than matters disclosed in Disclosure Letter and the Updated Disclosure Letter.
- (b) The Bank and the Promoters have performed and, or, complied with all obligations and conditions required to be performed or observed by them under the SSA prior to the Closing Date (including the Conditions Precedent as set forth in Clause 3 of the SSA). All the documents evidencing fulfilment of each of the obligations and conditions required to be performed or observed by the Bank prior to the Closing Date are enclosed herewith.

The details of the Bank Designated Bank Account are as set out below:

Name of Account Holder	:	[•]
Account Number	:	[•]
Bank	:	[•]
Branch	:	[•]
IFSC	:	[•]

Yours sincerely,

**Capital Small Finance Bank Limited**

**Sarvjit Singh Samra**

Authorized signatory  
[Insert name]



## SCHEDULE V

### REPRESENTATIONS AND WARRANTIES OF THE BANK AND THE PROMOTERS

#### PART A

The Bank and the Promoters jointly and severally represent and warrant, each of the following, to the New Investor, as being true and correct as on the Execution Date and on the Closing Date.

- (i) *Corporate Existence and Power of the Bank.*
- (a) The Bank is duly incorporated and is validly existing under the laws of India and has all corporate powers required to carry on the Business.
  - (b) The statutory books, minute books, register of members and other registers of the Bank, as required under any Applicable Law, have been properly maintained and contain complete records of all resolutions passed by the Board and the Shareholders and all issuances and transfers of Equity Shares or other Securities or ownership interests of the Bank.
  - (c) All Applicable Law relating to board meetings and annual general meetings of the Bank have been fully complied with. Each of the board meetings and the General Meetings of the Bank has been validly held in accordance with the Applicable Law and all actions and resolutions relating to each such meeting were taken and passed in accordance with the Applicable Law. The Bank has duly and timely filed all annual returns, as required by the Applicable Law.
  - (d) All Directors of the Bank, including a woman director, are validly appointed by the Bank in accordance with the Applicable Law and all form filings have been made in this regard.
  - (e) The Bank is not in violation of any of its Charter Documents and none of the activities, agreements, commitments or rights of the Bank is *ultra vires* or unauthorized.
  - (f) The Bank does not own any direct or indirect interest in any other Person.
- (ii) *Corporate Authorization.*
- (a) The execution by each of the Bank and the Promoters of this Agreement and the consummation of the transactions contemplated hereby and thereby are within (or shall be as at the Closing Date, as the case may be) each such Person's (being a incorporated entity) corporate powers and have been duly authorized by all necessary corporate action on the part of such Person and if such Person is an individual, that he or she has the full power and authority to execute, deliver and perform this Agreement.
  - (b) All necessary approvals of the Shareholders that may be required in connection with the consummation of the transactions contemplated by this Agreement have been obtained or will be obtained as of the Closing Date, as applicable.
  - (c) This Agreement has been duly executed and delivered by each of the Bank and the Promoters.



- (d) This Agreement constitutes legal, valid and binding obligations of each of the Bank and the Promoters, enforceable against each such Person in accordance with its respective terms.
- (iii) *Non-contravention.*
- (a) The execution, delivery and performance by the Bank and the Promoters of this Agreement and the consummation of the transactions contemplated hereby and thereby do not, including the issuance of the Subscription Shares, (A) violate the Charter Documents, (B) violate any Applicable Law, (C) other than as specified in Clause 3, require any Approval or Consent or other action by any Person under, constitute a default under, or give rise to any right of termination, cancellation or acceleration of any right or obligation of any such Person or to a loss of any benefit to which any such Person is entitled under any provision of any Contract binding upon any such Person or any Approval affecting, or relating in any way to, the assets or the Business, (D) result in the creation or imposition of any Encumbrance on any asset of the Bank; (E) conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default, or require any consent under, any indenture, mortgage, agreement or other instrument or arrangement to which they are parties or by which they are bound, including the agreements executed by the Bank with its creditors; (F) violate any authorization, judgment, decree or order or any statute, law, rule, regulation or requirement applicable to it; or (G) require any Approval or Consent, order or authorisation of, or registration, qualification, designation, declaration or filing with, any Governmental Authority or any other Person.
- (b) The Bank and the Promoters are not in violation of, and are not under investigation enquiry or proceedings with respect to, and have not been charged with, or given notice order or other form of communication of, or, to the best of knowledge of the Bank and the Promoters, threatened to be charged of any violation in any material respect of any Applicable Law, and no condition or state of facts exists that is reasonably likely to give rise to a material violation of, or material liability or default under, any Applicable Law.
- (iv) *Charter Documents*
- The Bank has delivered to the New Investor a true and current copy of its Charter Documents and its certificate of incorporation, which have not been amended since the delivery to the New Investor.
- (v) *Capital Structure of the Bank*
- (a) The authorised Share Capital of the Bank is INR 50,00,00,000 (Rupees Fifty Crores only) comprising 5,00,00,000 (Five Crores) Equity Shares. The issued and paid-up Share Capital of the Bank is INR 34,25,24,540 (Rupees Thirty Four Crores Twenty Five Lakhs Twenty Four Thousand Five Hundred and Forty only) divided into 3,42,52,454 (Three Crores Forty Two Lakhs Fifty Two Thousand Four Hundred and Fifty Four) shares.
- (b) Except as set forth in the Bank's Charter Documents or this Agreement or the Existing ESOP Plans, there are no Equity Shares or Securities of the Bank, or any agreements or undertakings to which the Bank is a party, or by which it is bound, obligating it to issue, deliver, sell, repurchase or redeem or cause to be issued, delivered, sold, repurchased or redeemed any Equity Shares in its authorized





capital or obligating it to grant or enter into any such option, warrant, call, right, commitment or agreement. All outstanding Securities are duly authorized, validly issued, fully paid and non-assessable and are not subject to pre-emptive rights, rights of first refusal or other restrictions on Transfer or third party rights, except as set forth in the Bank's Charter Documents, Existing ESOP Plans, this Agreement or the Existing Transaction Documents.

- (c) The issuance of the Subscription Shares has been duly and validly authorized by all necessary corporate actions of the Bank and when issued, sold and delivered in accordance with the terms of this Agreement, the Subscription Shares will be duly and validly issued, fully paid and non-assessable and will not be subject to pre-emptive rights, rights of first refusal or other restrictions on transfers, except as set forth in this Agreement, Existing Transaction Documents and the Charter Documents.
  - (d) There are no Encumbrances on the Subscription Shares and any other Securities, except as set forth in this Agreement, Existing ESOP Plans, Existing Transaction Documents and the Charter Documents.
  - (e) Upon the issue and allotment of the Subscription Shares, the New Investor shall be the sole legal owner of the Subscription Shares and will be registered as the sole owner thereof. The New Investor shall have clear title to the Subscription Shares and the Subscription Shares will be free from any Encumbrances except as set forth in this Agreement, Existing ESOP Plans, Existing Transaction Documents and the Charter Documents or any claim or demand of any description whatsoever.
  - (f) All Securities presently issued and allotted to the Promoters and Shareholders, have been validly issued and allotted, and no Encumbrances except as set forth in this Agreement, Existing ESOP Plans, Existing Transaction Documents and the Charter Documents exist on such Securities.
  - (g) The Bank has not undertaken any public offering or public issue of Securities since its incorporation.
- (vi) *Governmental Approvals and Consents*
- (a) The execution, delivery and performance by the Bank and the Promoters of this Agreement and the consummation of the transactions contemplated hereby and thereby require no action by or in respect of, or filing with, any Governmental Authority, other than as expressly provided in this Agreement.
  - (b) The Bank has obtained all Approvals and Consents necessary for the conduct of the Business and such Approvals and Consents are valid and subsisting and will continue to remain valid following the consummation of transactions contemplated by this Agreement, and the Bank is not in breach of or default under any such Approval and Consent. To the best of the knowledge of the Bank and the Promoters, there is no event or circumstance under which any of its Approvals and Consents are likely to be revoked, terminated or cancelled or (where applicable) not renewed in the ordinary course.
  - (c) All Approvals and Consents required by the Bank and the Promoters for the legal and valid subscription to the Subscription Shares by the New Investor and execution, delivery and performance of this Agreement have been obtained or will be obtained on or by the Closing Date.



- (d) To the best of knowledge of the Bank and the Promoters, there is no circumstance existing pursuant to which the RBI may cancel or suspend or modify or withdraw the Bank's AD Cat II License.

(vii) *Business*

- (a) The primary business of the Bank is the Principal Business.
- (b) The Bank does not own or control any equity security or other interest of any other corporation, partnership, limited liability company or other business entity. The Bank is not a participant in any joint venture, partnership, limited liability company or similar arrangement. The Bank does not own any direct or indirect equity, voting or ownership interest in any company, partnership or other legal entity including entities that carry on any business that competes with the Business as presently conducted or as contemplated to be conducted by the Bank and has not entered into any agreement for the aforesaid except this Agreement, and the Existing Transaction Documents.
- (c) The Bank has the power to carry on the Business, as currently conducted and to own its assets and is authorized to do business in every jurisdiction which, by the nature of the Business and assets, makes registration or authorization necessary.
- (d) Save and except with respect to M/s Midland Microfinance Limited, no Promoter and no Controlled Affiliate of a Promoter has any Substantial Interest, direct or indirect in any company or business which is in competition with the Principal Business, whether directly or indirectly.

(viii) *Solvency*

The Bank and Promoters are solvent and no current facts or circumstances exist, or to the best of knowledge of the Bank or the Promoters is contemplated, or threatened (and neither is there a basis for), for liquidation, winding up, bankruptcy, insolvency, reconstruction arrangement or assignment for the benefit of or other arrangement with all or a class of creditors with respect to any of them.

**PART B**

Subject to the contents of the Disclosure Letter and, or, Updated Disclosure Letter (as the case may be), the Bank and the Promoters jointly and severally represent and warrant, each of the following, to the New Investor, as being true and correct as on the Execution Date and on the Closing Date:

(ix) *No Immunity.*

Neither the Bank nor the Promoters nor any of their respective properties enjoy any right of immunity from set-off, suit or execution with respect to their respective obligations under this Agreement.

(x) *Material Contracts*

- (a) Each material contract to which the Bank is a party or which binds or affects its properties or assets is in full force and effect and is a legal, valid, binding and enforceable agreement of the Bank and of each of the other party thereto.
- (b) Neither the Bank nor any other party thereto is in default or breach under the terms of any material contract, and no event or circumstance has occurred that, with notice or lapse of time or both, would constitute any event of default thereunder.



- (c) The Bank has not received any notice to terminate, in whole or part, amend or not renew any executory obligation of counter-party to a material contract. Complete and correct copies of each material contract of the Bank, as amended and supplemented, have been delivered to the New Investor.
- (d) The Bank has complied with, and not committed any breach or default of any provision or clause of the material contracts and will not commit any breach of any clause or provision of such material contracts as a consequence of the transactions contemplated under this Agreement.

(xi) *Financial Condition*

Since December 31, 2022:

- (a) the Business of the Bank has been carried on in the ordinary course so as to maintain the Business as a going concern;
- (b) the Bank has not suffered any change or event having a Material Adverse Effect;
- (c) the Bank has not, other than in the Ordinary Course of Business, incurred any loss or liability of an amount in excess of INR 3,00,00,000/- (Rupees Three Crores only) in the aggregate;
- (d) other than in the ordinary course, the Bank has not undertaken or agreed to undertake any obligation in excess of INR 3,00,00,000/- (Rupees Three Crores only) in the aggregate;
- (e) no dividend or distribution has been declared or paid by the Bank save and except the annual dividends (not exceeding 15% (fifteen per cent) of the face value of the Equity Share) declared in respect of the Financial Year 2022-23;
- (f) the Bank has not made any material change or amendment to a material contract or arrangement to which the Bank is a party or by which the Bank, or any of its assets or properties are bound or subject, which results in a Material Adverse Effect; and
- (g) no employee from the Senior Management Team of the Bank has resigned, been terminated or been given notice of resignation or termination.

(xii) *Financial Statements*

- (a) The Bank's audited consolidated balance sheet as of March 31, 2022 and the related audited consolidated statements of income and cash flows for the fiscal year ended March 31, 2022 have been prepared in accordance with the Accounting Standards applied on a consistent basis throughout the periods therein specified, and give a true and fair view of the consolidated financial condition of the Bank as of the date as of which they were prepared and the results of the Bank's operations during the periods therein specified.
- (b) As of March 31, 2022, there are no losses, liabilities (whether actual or contingent or otherwise) or bad or doubtful debts other than those fully disclosed in the consolidated Financial Statements hereinbefore referred to.

(xiii) *Taxes*



- (a) All tax returns and reports of the Bank required by the Applicable Law to be filed have been duly filed and all taxes, obligations, fees and other governmental charges upon the Bank, or its properties, income or assets, which are due and payable or to be withheld, have been duly paid or withheld, other than those presently payable without penalty or interest and the Bank has not received any notice of such filings being disputed, or that any proceedings for recovery of Tax has been initiated or are pending.
- (b) The Bank has kept and preserved all material records and information, as required under the Applicable Law, and as may be needed to enable it to deliver correct and complete returns to all relevant Tax authorities for all accounting periods for which such returns and declarations are required.
- (c) The Bank is not involved in any dispute in relation to any Tax exceeding INR 2,00,00,000/- (Rupees Two Crores Only) in aggregate, and the Tax authorities have not indicated to the Bank that they intend to investigate the Tax affairs of the Bank.
- (d) All reliefs and other Tax benefits shown in the Financial Statements are valid and properly claimed and there are no circumstances in existence to the knowledge of the Bank and the Promoters, which might cause the disallowance in whole or part of any such relief or benefit in the period before the Closing Date.
- (e) All payments by the Bank, which are required by the Applicable Law to be made after deduction of Taxes, have been so made and the Bank has provided certificates of deduction to such Person and transferred to the relevant Tax authority any Taxes deducted to the extent required.
- (f) The Bank has properly deducted, accounted for and paid over to the appropriate taxing authorities, if mandatorily required under Applicable Law, all deductions and payments of Tax to be made in respect of the liability to Tax of any other person, including (without limitation) in respect of any payments and benefits made or treated as made to employees, ex-employees, directors, agents or contractors of the Bank and duly filed such deductions and made such payments to the Tax authorities.
- (g) The Bank is not liable to pay, or make reimbursement or indemnify in respect of, any Tax payable by or chargeable on or attributable to any other Person (or any amount in respect of or corresponding to any such Tax).
- (h) To the best of the knowledge of the Bank and the Promoters, any service tax payable by the Bank has been duly paid in accordance with Applicable Law. There is no liability (whether outstanding or accrued or past or otherwise) for service tax exceeding INR 1,00,00,000/- (Rupees One Crore only) in aggregate, which any service provider may claim or recover from the Bank for any period prior to the date of this Agreement.

(xiv) *Litigation and Inspection*

- (a) The Bank is not involved in any litigation, arbitration, administrative, regulatory or governmental proceedings or investigations, save and except the annual financial inspection by the RBI, to which the Bank is subject in the Ordinary Course of Business. No such proceedings or investigations are threatened in



writing against the Bank. The Bank is not aware of any fact or circumstance which is likely to give rise to any such proceedings or investigations.

- (b) No judgment or order has been issued against the Bank or the Promoters which has or may reasonably be expected to have a Material Adverse Effect.
- (c) The Bank has not been charged, convicted, fined or otherwise sanctioned in any litigation, administrative, regulatory or criminal investigation or proceeding or freezing of assets by any authority involving the Bank or its respective employees with regard to money laundering or financing of terrorism.
- (d) The Bank has taken or initiated all actions to rectify the action points indicated by the RBI in its reports pursuant to the annual financial inspection of the Bank.

(xv) *Material Liability*

There are no material Liabilities of the Bank, there is no existing condition, situation or set of circumstances which would reasonably be expected to result in any Liability, other than (a) Liabilities clearly disclosed or expressly provided for in the Financial Statements, (b) Liabilities incurred under this Agreement or incurred in connection with the transactions contemplated by this Agreement or any other Existing Transaction Documents; and (c) other undisclosed Liabilities incurred in the Ordinary Course of Business consistent with past practice since the date of applicable Financial Statements that do not and, to the best of the knowledge of the Bank and the Promoter, would not reasonably be expected to, individually or in the aggregate, a Material Adverse Effect on such Person.

For the purposes of this clause, "Liabilities" means any liability, obligation or commitment of any kind (whether accrued, absolute, contingent, or otherwise and whether or not required to be recorded or reflected on a balance sheet prepared in accordance with generally accepted accounting principles);

(xvi) *Criminal Offenses.*

Neither the Bank nor any Person acting on its behalf for whose acts the Bank may be vicariously liable have carried out any actions or made any omissions which could result in the Bank incurring criminal sanctions, including penalty imposed under a criminal statute, in each case, which would have a Material Adverse Effect.

(xvii) *Restrictions on Business Activities.*

There is no agreement, judgment, injunction, order or decree binding upon the Bank which has or could reasonably be expected to have the effect of prohibiting or impairing in any material respect any of its current or future business practices, its acquisition of property or the conduct of its Business as it is currently conducted.

(xviii) *Assets and Property.*

- (a) The Bank has:
  - (A) good, legal and marketable title free and clear of all liens to all of the property and assets, movable and immovable, reflected in the Bank's most recent balance sheet included in the consolidated Financial Statements; and
  - (B) with respect to leased properties and assets, valid leasehold interests therein free and clear of all liens and Encumbrances.



- (b) The assets of the Bank that are used in the Bank's operations are in good operating condition and repair, subject to normal wear and tear not caused by neglect, and are adequate and suitable for the purposes for which they are currently being used. All properties used in the Bank's operations are reflected in the Bank's most recent balance sheet included in the consolidated Financial Statements to the extent the Accounting Standards require the same to be reflected.
  - (c) The Bank owns or has the right to use, all assets required for the conduct of the Business, and has not created any Encumbrances on such assets other than in the Ordinary Course of Business.
  - (d) There are no developments affecting any such property or assets pending, or to the best of knowledge of the Bank and the Promoters, threatened which might detract from the value, interfere with any present or intended use or adversely affect the marketability of any such property or asset.
  - (e) All leases of such leasehold properties are valid, binding and enforceable in accordance with their respective terms and there do not exist under any such lease any default or any event which with notice or lapse of time or both would constitute a default. Each such lease grants the Bank the right to use and occupy the premises and rights demised thereunder and enjoy peaceful possession under each such lease for each such property.
  - (f) The buildings, structures and equipment owned by the Bank have no material defects, are in good operating condition and repair and have been reasonably maintained consistent with standards generally followed in the industry, are adequate and suitable for their present and intended uses and, in the case of buildings and other structures (including the roofs thereof), are structurally sound. The buildings and structures owned by the Bank currently have access to (A) public roads or valid easements over private streets or private property for such ingress to and egress from all such plants, buildings and structures and (B) water supply, storm and sanitary sewer facilities, telephone, electrical connections, fire protection, drainage and other public utilities, in each case as is necessary for the conduct of the businesses of the Bank as heretofore conducted and as planned to be conducted. To the best of the knowledge of the Bank and the Promoters, none of the structures on any such owned or leased property encroaches upon real property of another Person, and no structure of any other Person substantially encroaches upon any of such owned or leased real property.
- (xix) *Intellectual Property.*
- (a) The Licensed Intellectual Property Rights and the Owned Intellectual Property Rights together constitute all the Intellectual Property Rights necessary for, or used or held for use in, the conduct of the Business. The consummation of the transactions contemplated by this Agreement will not materially alter, encumber, impair or extinguish any Owned Intellectual Property Rights or Licensed Intellectual Property Rights.
  - (b) The Bank holds all right, title and interest in and to all Owned Intellectual Property Rights and all of the Bank's licenses under the Licensed Intellectual Property Rights, to the extent permitted under the relevant license agreement, and are free and clear of any Encumbrance.



- (c) The Bank has not infringed, misappropriated or otherwise violated in any material respect any Intellectual Property Right of any Third Party nor received any notice from any Third Party alleging that this has occurred. There is no proceeding pending against, (A) based upon, or challenging or seeking to deny or restrict, the rights of the Bank in any of the Owned Intellectual Property Rights and the Licensed Intellectual Property Rights, (B) alleging that the use of the Owned Intellectual Property Rights or the Licensed Intellectual Property Rights or any services provided, processes used or products manufactured, used, imported or sold by the Bank do or may conflict with, misappropriate, infringe or otherwise violate any Intellectual Property Right of any Third Party; or (C) alleging that the Bank has infringed, misappropriated or otherwise violated any Intellectual Property Right of any Third Party.
- (d) To the best of the knowledge of the Bank and the Promoters, no Person has infringed, misappropriated or otherwise violated any Owned Intellectual Property Right or Licensed Intellectual Property Right.
- (e) The Bank has not granted, nor are they obliged to grant, any license, sub-license, ownership or other interest or assignment, in whole or in part, in respect of any Owned Intellectual Property or otherwise required for the Business. There are no restrictions on the right of the Bank, to license or sub-license any of the Intellectual Property owned by the Bank.

(xx) *Books and Records.*

- (a) The books and records of the Bank, including, without limitation, its minute books, are complete and correct in all respects and accurately and fairly reflect all meetings and other corporate actions of the Bank's shareholders and its Board and committees, in accordance with Applicable Law.
- (b) The Bank is not in default in the performance, observance or fulfilment of any of the obligations, covenants or conditions contained in any contract to which it is a party. Each such Contract has been duly authorised, executed and delivered by the Bank, and constitutes, the valid and binding obligation of the Bank in accordance with its terms. The Bank is not in breach of any such Contract or has indicated any intention to terminate any such Contract prior to the expiration of its term.
- (c) All Related Party transactions entered into by the Bank are in accordance with the Applicable Law and on an arms' length basis.

(xxi) *Labour Matters.*

- (a) The true and complete copies of each material employment, severance, retention or similar Contract, plan, arrangement policy and each other plan or arrangement or practice, formal or informal, funded or unfunded or self-insured, providing for compensation, bonuses, profit-sharing, share option or other share related rights or other forms of incentive or deferred compensation, vacation benefits, health or medical benefits, disability or sick leave benefits, workers' compensation, supplemental unemployment benefits, severance benefits and post-employment or retirement benefits (including compensation, pension, health, medical or life insurance benefits) which is maintained, administered or contributed to by the Bank (collectively, "Employee Plans") have been made available to the New Investor.



- (b) All Employee Plans are legal and valid and constitute binding obligations of each relevant employee, enforceable against that employee in accordance with its terms.
- (c) Each Employee Plan has been established, administered, invested and maintained in compliance with its terms (including its funding requirements and contributions and payments to such plan) and with the requirements prescribed by any and all Applicable Law and Orders, which are applicable to such Employee Plan, and the Bank has been in material compliance with all Applicable Law with respect to employment and labour matters, including the Indian Labour Laws.
- (d) The Bank has no material liability in respect of post-retirement health, medical or life insurance benefits for retired, former or current employees that are not specifically and expressly accounted for in the Financial Statements.
- (e) There are no pending labour disputes that are subject to any grievance procedure, arbitration or litigation, and there is no representation petition pending with respect to any employee of the Bank nor is any such dispute, proceeding or litigation threatened in writing by or against the Bank on the one hand and any employee(s) on the other hand.
- (f) The Bank is not a party to, nor does it recognise any trade union, nor has it entered into any collective bargaining agreements, arrangement or similar understanding with respect to its employees.
- (g) The Bank has in relation to each of its employees and (so far as relevant) to each of its former employees discharged in all material respects its obligation to pay all salaries, wages, bonuses and other payments connected with the employment of Bank.
- (h) The Bank is in compliance with all Applicable Law in relation to its employees (whole time or otherwise).

(xxii) *Insurance*

- (a) The Bank has obtained insurance policies necessary in relation to its Business, sufficient in amount (subject to reasonable deductibles), for its assets, against any public liability claim or professional negligence claims and such other liabilities, considered normal in the course of the Business and are sufficient for compliance with all legal and regulatory requirements and Contracts to which the Bank is a party or by which it is bound. All insurance policies are written in the name of the Bank.
- (b) In respect of all such insurances (A) all premiums have been duly paid to date; and (B) all the policies are in full force and effect.
- (c) There are no material claims made or pending under any insurance policies taken by the Bank. The Bank has not permitted any of its material insurance policies to lapse.
- (d) No act, omission, misrepresentation or any non-disclosure by or on behalf of the Bank has occurred which makes any of its insurance policies voidable, nor have any circumstances arisen which would render any of these policies void or unenforceable for illegality or otherwise, nor has there been any breach of the





terms, conditions and warranties of any of the policies that would entitle insurers to decline to pay all or any part of any claim made under the policies.

- (e) There are no special or unusual limits, terms, exclusions or restrictions in any of the policies and the premiums payable are not in excess of the normal rates and no circumstances exist which are likely to give rise to any increase in premiums.

(xxiii) *Anti-Corruption Laws; OFAC*

- (a) Neither the Bank nor the Promoters nor any, directors, the Senior Management Team acting on their behalf (collectively, the "Covered Persons"), have taken or will take any act that would cause the Bank or the Promoter or their respective Affiliates, or as of the Closing Date, the New Investor, to be in violation of any Applicable Law relating to bribery, kick-backs, or similar business practices and includes, wherever applicable, the rules framed there under, any amendment, statutory modification or re-enactment thereof for the time being in force (collectively, the "Anti-Corruption Laws").
- (b) Without limiting the generality of the foregoing, no Covered Person has taken or will take any act in furtherance of a payment, offer, promise to pay, or authorization or ratification of a payment of any gift, money or anything of value to (A) any Governmental Authority, or (B) any person or entity while knowing or having reasonable grounds to believe that all or a portion of that payment will be passed on to a Governmental Authority, to obtain or retain business or to secure an improper advantage in violation of the Anti-Corruption Laws.
- (c) No Covered Person working on behalf of the Bank or the Promoters or their respective Affiliates has offered, paid, given, promised to pay, or authorized the payment of, or will offer, pay, give, promise to pay, or authorize the payment of, anything of value directly or indirectly to or for the benefit of any agent, intermediary, or employee of another company to improperly influence the recipient's action or otherwise to obtain or retain business or to secure any improper business advantage or that would cause the recipient to violate Anti-Corruption Laws, the policies of his or her employer, or a duty of good faith.
- (d) There is no investigation of, or request for information from, the Bank or the Promoters or their respective Affiliates by law enforcement officials regarding a violation or potential violation of any of the Anti-Corruption Laws or any of the Sanctions Laws and Regulations. The Bank or the Promoters or their respective Affiliates have not received any allegation related to a violation or potential violation of the Anti-Corruption Laws or any of the Sanctions Laws and Regulations, and no Covered Person has any information that would lead a reasonable person to believe that there is a high likelihood that any person has made any payment in violation of any Anti-Corruption Law on behalf of or for the benefit of the Bank or the Promoters or their respective Affiliates or is in violation of any of the Sanctions Laws and Regulations.
- (e) None of the Bank's or the Promoters' or their respective Affiliates' have obtained any key licenses, permits, or land use rights used for the Bank in violation of Anti-Corruption Laws.



- (f) The Bank or the Promoters or their respective Affiliates (A) keep books and records which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of such the Bank or the Promoters or their respective Affiliates; (B) maintain a system of internal accounting controls sufficient to provide reasonable assurances that: (I) violations of applicable Anti-Corruption Laws will be prevented, detected and deterred; (II) transactions are recorded as necessary (i) to permit preparation of Financial Statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (ii) and to maintain accountability for assets; (III) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences; and (IV) access to its assets is permitted only in accordance with management's authorization; and (C) does not maintain any off-the-books accounts or more than one set of books, records or accounts.
- (g) The Covered Persons are in compliance with Anti-Money Laundering Laws and Sanctions Laws and Regulations. None of the Covered Persons (A) is under investigation by any Governmental Authority for, or has been charged with, or convicted of, money laundering, drug trafficking, terrorist related activities, violation of Anti-Corruption Laws or any Anti- Money Laundering Laws and Sanctions Laws and Regulations; or (B) has had any of its funds seized or forfeited in any action under any Anti-Money Laundering Laws and Sanctions Laws and Regulations.
- (h) No Covered Person is an individual or entity that is, or is owned or controlled by, a Restricted Person, or has or is engaged in any activities which would result in a violation of any provision of any of the Anti-Money Laundering Laws and Sanctions Laws and Regulations.

(xxiv) *Disclosure*

No representation, warranty or statement by the Bank or the Promoters in this Agreement, or in any Annexure, Schedule, statement or certificate (including without limitation, the Disclosure Letter and, or, the Updated Disclosure Letter, this Agreement or the Charter Documents, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements made herein, in light of the circumstances under which they were made, not misleading.

(xxv) *Information And Disclosure*

- (a) The information set out in the Disclosure Letter and, or, the Updated Disclosure Letter and any statement made in any certificate or document in connection with the Disclosure Letter and, or, the Updated Disclosure Letter, is true, correct, accurate and complete with respect to the matters set out therein as of the date thereof and is not misleading or contains any untrue statement of a fact or omits to state a material fact necessary to make the statements made therein.
- (b) All information relating to the Bank and Promoters which would be relevant for any reasonable investor for making its decision for investing into the Bank or the transactions contemplated under this Agreement has been set out in the Disclosure Letter and, or, the Updated Disclosure Letter.



- (c) Neither the Promoters nor the Bank is aware of any fact, matter or circumstance that renders any such the information set out in the Disclosure Letter and, or, the Updated Disclosure Letter to be untrue, inaccurate and misleading or the disclosure of which might reasonably affect the decision of the New Investor to invest in the Bank or the price or terms upon which the New Investor would be willing to invest in the Bank.

(xxvi) *Compliance with the Applicable Law*

- (a) The Bank is not in violation of, and is not under investigation with respect to, and has not been charged with, or given notice of any material violation of any Applicable Law (including the Indian Labour Laws) or Orders, and no condition or state of facts exists that is reasonably likely to give rise to a violation or default under, any Applicable Law (including the Indian Labour Laws) or Order, which will result in a Material Adverse Effect.
- (b) The Bank is in material compliance with the conditions and terms set out in the SFB License, AD Cat II License and Corporate Agent License.
- (c) The Bank is in material compliance with SFB Guidelines, Money Changing Guidelines and Corporate Agent Guidelines.

(xxvii) *Miscellaneous*

- (a) There is no investigation, enquiry or proceeding outstanding in respect of which the Bank or any of the Promoters have received any written notice, order or other form of communication from any Governmental Authority, as relating to the conduct of the Principal Business.
- (b) The business of the Bank has been conducted in accordance with the Applicable Law, more specifically, the 1949 Act, the RBI Act, and the rules and regulations issued thereunder, and the Charter Documents of the Bank. The Bank does not engage in any activity that is in violation of the Applicable Law.



SCHEDULE VI

LIST OF KEY SHAREHOLDERS

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



CERTIFIED TRUE COPY  
For Capital Small Finance Bank Ltd.

Authorised Signatory