

Secretarial Department

SD/ F 24/ /2017-18

19<sup>th</sup> June 2017

<b>Listing Department</b> The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.	<b>Department of Corporate Services – Listing BSE Limited</b> Phiroze Jeejeebhoy Towers, Floor 25, Dalal Street, MUMBAI – 400 001
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Re.: Scrip Symbol: FEDERALBNK/Scrip Code: 500469

Dear Sir,

**Sub.: Intimation of the date of the Annual General Meeting and Book Closure for Dividend and submission of AGM Notice and E- Voting related matters.**

This is to inform you that the 86<sup>th</sup> the Annual General Meeting of The Federal Bank Limited will be held on **Friday, 14 July 2017 at 10 am**, at Mahatma Gandhi Municipal Town Hall, Aluva, Ernakulam, Kerala-683101. We also hereby submit a copy of the Notice for the 86<sup>th</sup> AGM of The Federal Bank.

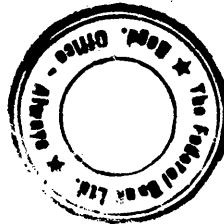
The Register of Members and the share transfer books of the Bank will remain closed from **Wednesday, 05<sup>th</sup> July 2017 to Friday 14<sup>th</sup> July 2017 (both days inclusive)** for the purpose of the Annual General Meeting of the Bank and for determining the entitlement of the dividend declared, if any, for the year ended March 31, 2017. Dividend for FY 2016-17, if any, declared by the members at the Annual General Meeting will be paid to the members of the bank from 15 July, 2017 onwards.

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management & Administration) Rules, 2014, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Bank is providing electronic voting facility to its members for transacting all the items of business as set out in the Notice, through NSDL's e-voting platform, which will commence on **Tuesday, 11<sup>th</sup> July 2017 at 9:00 am** and end on **Thursday, 13<sup>th</sup> July 2017 at 5:00 pm**. The e-Voting module will be disabled after 5 p.m on **Thursday, 13<sup>th</sup> July 2017**. The facility for voting through ballot paper shall be made available at the meeting and the members who are attending the meeting and have not casted their vote by remote E-voting shall be able to vote at the meeting through "Ballot Paper". A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on cut-off date i.e **07<sup>th</sup> July 2017** only shall be entitled to avail the facility of remote e-voting or voting at the meeting through Ballot Paper at the venue of AGM.

Kindly take the same on your records.

Thanking you,  
Yours faithfully,  
For The Federal Bank Limited

Girish Kumar G  
Company Secretary



**NOTICE TO SHAREHOLDERS**

Notice is hereby given that the Eighty Sixth Annual General Meeting (AGM) of The Federal Bank Limited will be held as shown below:

Date: 14.07.2017

Day: Friday

Time: 10 am

Venue: Mahatma Gandhi Municipal Town Hall, Aluva

To transact the following items of business.

**ORDINARY BUSINESS**

1. To receive, consider and adopt
  - a) the audited financial statements, including audited Balance Sheet and Profit and Loss Account of the Bank for the financial year ended March 31,2017 and the Reports of the Board of Directors and the Auditors thereon; and
  - b) the audited consolidated financial statements, including audited consolidated Balance Sheet and Profit and Loss Account of the Bank for the financial year ended March 31, 2017 and the Report of the Auditors thereon;
2. To declare a dividend.
3. To appoint a Director in place of Mr. Ashutosh Khajuria (DIN-05154975), who retires by rotation, and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

To appoint Joint Central Statutory Auditors to hold office from the conclusion of this meeting until the conclusion of the next AGM and to fix their remuneration.

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any, the applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Rules, Circulars and Guidelines issued by the Reserve Bank of India, from time to time and subject to the approval from Reserve Bank of India, M/s. B S R & Co. LLP, Chartered Accountants, Mumbai, (ICAI FRN-101248 W) together with M/s M M Nissim & Co, Chartered Accountants, Mumbai, (ICAI FRN-107122 W) be and are hereby appointed as Joint Central Statutory Auditors of the Bank, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Bank, on such remuneration as shall be decided by the Board of Directors of the Bank”.

**SPECIAL BUSINESS**

5. To consider and, if thought fit, to pass the following resolution, with or without modification(s) as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and section 143(8) of the Companies Act,2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any, the applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Rules, Circulars and Guidelines issued by the Reserve Bank of India, Board of Directors be and is hereby authorised to arrange for the audit of the Bank's branches for the accounting year 2017-18 and to appoint and fix the remuneration of branch auditors in consultation with the Central Statutory Auditors for the purpose.”
6. To consider and, if thought fit, to pass the following resolution, with or without modification(s) as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Banking Regulation Act, 1949, Companies Act, 2013 read with the

Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable regulations, if any (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the approval accorded by the Reserve Bank of India, the approval of the Members of the Bank be and is hereby accorded for re-appointment of Mr. Shyam Srinivasan ( DIN-02274773) as the Managing Director & CEO of the Bank, for a further period of 3 years, with effect from 23rd September 2016.

**RESOLVED FURTHER THAT** Mr. Shyam Srinivasan, Managing Director & CEO, be paid remuneration by way of salary, allowances and perquisites, on the terms and conditions, provided in the statement pursuant to section 102(1) of Companies Act 2013 mentioned herewith (explanatory statement) and pursuant to the approval accorded by the Reserve Bank of India”.

7. To consider and, if thought fit, to pass the following resolution, with or without modification(s) as an Ordinary Resolution:

**“RESOLVED THAT** as approved by Reserve Bank of India and as approved by the Board of the Bank, grant of options under Employee Stock Option Scheme (ESOS) for the year 2016 to Mr. Ganesh Sankaran, Executive Director of the Bank @ ₹ 72.45 per option be and is hereby approved”.

8. To consider and, if thought fit, to pass the following resolution, with or without modification(s) as an Ordinary Resolution:

**“RESOLVED** to approve the payment of remuneration of ₹ 1,25,000/- (Rupees One Lakh Twenty Five Thousand only) per month (₹ 15,00,000/- (Rupees Fifteen Lakh only) per annum) to Mr. K M Chandrasekhar (DIN- 06466854), Chairman of the Bank, as approved by the Reserve Bank of India and pursuant to the applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Rules, Circulars and Guidelines issued by the Reserve Bank of India, and as per the provisions of Companies Act, 2013 and rules made there under”.

9. To consider and, if thought fit, to pass the following Resolution, with or without modification(s) as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149(9), 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, the applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Rules, Circulars and Guidelines issued by the Reserve Bank of India, from time to time, and subject to the availability of net profits at the end of each financial year, and subject to the total remuneration payable to Directors who are neither Managing Directors nor Whole time Directors not exceeding in the aggregate one percent of the net profits of the Bank computed in the manner stipulated in Section 198 of the Act, consent of the members be and is hereby accorded to pay compensation in the form of profit related commission not exceeding ₹ 1 million (₹1,000,000) per annum to each of the Non Executive/Independent Directors of the Bank (other than Part Time Chairman), for each year effective from financial year ended 31 March 2017, in addition to sitting fees paid for attending Board/Committee meetings and reimbursement of expenses for participation in Board/Committee meetings”.

**“RESOLVED FURTHER THAT** the Board of Directors of the Bank be and is hereby authorised to do all such acts, deeds, matters and things including deciding on the manner of payment of commission, apportionment, if any and settle all questions or difficulties that may arise with regard to the aforesaid resolution as it may deem fit and to execute any agreements, documents, instructions, etc. as may be necessary or desirable in connection with or incidental to give effect to the aforesaid resolution”.

10. To consider and, if thought fit, to pass the following resolution, with or without modification(s) as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149 Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, Section 10A and other applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Rules, Circulars and Guidelines issued by the Reserve Bank of India, Mr. K M Chandrasekhar (DIN- 06466854), be and is hereby reappointed as an Independent Director of the Bank, for a period of one (1) year with effect from 17th July 2017 or till the date of his retirement whichever is earlier.”

11. To consider and, if thought fit, to pass the following resolution, with or without modification(s) as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, Section 10A and other applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Rules, Circulars

and Guidelines issued by the Reserve Bank of India, CA Nilesh S Vikamsey (DIN- 00031213), be and is hereby reappointed as an Independent Director of the Bank, for a period of three (3) years with effect from 17th July 2017 or till the date of his retirement whichever is earlier”.

12. To consider and, if thought fit, to pass the following resolution, with or without modification(s) as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, Section 10A and other applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Rules, Circulars and Guidelines issued by the Reserve Bank of India, Mr. Dilip G Sadarangani (DIN- 06610897) be and is hereby reappointed as an Independent Director of the Bank, for a period of three (3) years with effect from 17th July 2017 or till the date of his retirement whichever is earlier”.

13. To consider and, if thought fit, to pass the following resolution, with or without modification(s) as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, Section 10A and other applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Rules, Circulars and Guidelines issued by the Reserve Bank of India, Mr. Harish H Engineer (DIN- 01843009), be and is hereby reappointed as an Independent Director of the Bank, for a period of two (2) years with effect from 17th July 2017 or till the date of his retirement whichever is earlier”.

14. To consider and, if thought fit, to pass the following resolution, with or without modification(s) as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, Section 10A and other applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Rules, Circulars and Guidelines issued by the Reserve Bank of India, Ms. Grace Elizabeth Koshie (DIN- 06765216), be and is hereby reappointed as an Independent Director of the Bank, for a period of three (3) years with effect from 17th July 2017 or till the date of her retirement whichever is earlier”.

15. To consider and, if thought fit, to pass the following resolution, with or without modification(s) as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, Section 10A and other applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Rules, Circulars and Guidelines issued by the Reserve Bank of India, Ms. Shubhalakshmi Panse (DIN-02599310), be and is hereby reappointed as an Independent Director of the Bank, for a period of three (3) years with effect from 17th July 2017 or till the date of her retirement whichever is earlier”.

16. a) To consider and, if thought fit, to pass the following Resolution, with or without modification(s) as a Special Resolution:

**“RESOLVED THAT** in accordance with the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder, the Securities and Exchange Board of India, (Share Based Employee Benefits) Regulations 2014 as amended from time to time (**“the Regulations”**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of any regulations / guidelines prescribed by the Securities and Exchange Board of India (**“SEBI”**) and / or the Reserve Bank of India (**“RBI”**), the provisions of any other applicable laws and regulations (including any amendment thereto or modification(s) or re-enactment(s) thereof from time to time), the Memorandum and Articles of Association of the Bank and subject to any applicable approval(s), permission(s) and sanction(s) of any authorities and subject to any condition(s) and modification(s) as maybe prescribed or imposed by such authorities while granting such approval(s), permission(s) and sanction(s), the consent of the members of the Bank be and is hereby accorded to the Board of Directors of the Bank (hereinafter referred to as the "Board") and the Nomination, Remuneration, Ethics and Compensation Committee of the Board (authorised by the Board to function as the 'Compensation Committee' as provided under the SEBI Regulations) (hereinafter referred to as the “Committee”), to introduce and implement a scheme for grant of stock options (hereinafter referred to as the “ESOS 2017”) to employees and directors (including Managing Director and CEO) (whether in India or abroad) of the Bank, and such persons as may be covered and eligible under the said Scheme ESOS 2017 whether working in India or outside India (hereinafter referred to as the

“eligible employees”) and to create, grant, offer, issue and allot, in one or more tranches at any time, to or to the benefit of such employees and directors (including Managing Director and CEO) other than Independent Directors of the Bank as may be decided by the Committee under the ESOS 2017, equity shares of face value of ₹ 2/- each of the Bank, not exceeding in the aggregate 5% of the paid up equity share capital of the Bank (at all times) in aggregate (presently equal to 8,62,02,270 ( data as on 31/03/2017) equity shares), fully paid-up on payment of the requisite exercise price, in such manner and subject to such terms and conditions as the Committee may decide.

**RESOLVED FURTHER THAT** the Committee of the Board is hereby authorised to evolve, decide upon, bring into effect and implement the ESOS 2017 and determine the detailed terms and conditions of the aforementioned ESOS 2017, including but not limited to the quantum of the options to be granted under the ESOS 2017 (not exceeding 5% of the paid up equity share capital of the Bank at all times, presently equal to 8,62,02,270 equity shares), quantum of the options to be granted per employee, the vesting period, the exercise period, the exercise price, instances where such options shall lapse and to grant such number of options, to such employees and directors (including Managing Director and CEO) other than Independent Directors of the Bank, at par or at such other price, at such time and on such terms and conditions as set out in the ESOS 2017 and as the Committee may in its absolute discretion think fit.

**RESOLVED FURTHER THAT** the Committee is hereby authorised to and make such modifications, changes, variations, alterations or revisions in the said ESOS 2017 as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Bank, SEBI Regulations and any other applicable laws without requiring the Board to secure any further consent or approval of the members of the Bank (unless such modifications, changes, variations, alterations or revisions is detrimental to the interests of the employees and directors), and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Bank to settle any questions, difficulties or doubts that may arise in this regard.

**RESOLVED FURTHER THAT** the consent of members of the Bank be and is hereby accorded to the Board (or any Committee thereof) to issue and allot such number of equity shares of the Bank, to such employees and directors (including Managing Director and CEO) of the Bank, other than Independent Directors in terms of the ESOS 2017, upon conversion of the options granted under such ESOS 2017, at such price and on such terms and conditions as set out in the ESOS 2017 and as determined by the Committee.

**RESOLVED FURTHER THAT** the number of Employee Stock Options that may be granted to any employee including any Director of the Bank (not an independent director), in any financial year and in aggregate under the ESOS 2017 shall be less than 1% of the issued equity share capital (excluding outstanding warrants and conversions) of the Bank.

**RESOLVED FURTHER THAT** the equity shares issued and allotted on the exercise of the options granted through the ESOS 2017 shall rank paripassu in all respects with the then existing equity shares of the Bank.

**RESOLVED FURTHER THAT** the Board (including the Committee) be and is hereby authorised to take necessary steps for listing of the equity shares allotted upon conversion of the options granted under the ESOS 2017, on the Stock Exchanges, where the equity shares of the Bank are listed as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Guidelines and other applicable laws and regulations.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and sale of division/undertaking or other re-organisation, change in capital and others, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under applicable laws, so as to ensure the fair and equitable benefits under ESOS 2017 are passed on to the eligible employees.

**RESOLVED FURTHER THAT** in case the equity shares of the Bank are either sub-divided or consolidated, then the number of equity shares to be allotted and the price of acquisition payable by the option grantees under the ESOS 2017 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 2/- per equity share, bears to the revised face value of the equity shares of the Bank after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

**RESOLVED FURTHER THAT** in addition to above, all Options that have not been granted or have been granted but have / will lapse, cancelled, withdrawn, recalled, surrendered (including those having lapsed by way of forfeiture) or outstanding under the ESOS 2017, whether now or anytime in future, be transferred and made available for grant and the Board be authorized to issue shares arising out of such options.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any powers conferred herein to the Committee with power to further delegate such powers to any executives or officers of the Bank to do all such acts, deeds, matters and things and also to execute such documents, writings as may be necessary in this regard.

b) To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 62 (1) (b) and other applicable provisions of the Companies Act, 2013 (“Act”) read with the Companies (Share Capital and Debentures) Rules, 2014, Memorandum and Articles of Association, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to approvals, permissions, sanctions, conditions and modifications as may be prescribed or imposed while granting, the consent of the members of the Bank be and is hereby extended to cover the Employee Stock Option Scheme 2017 [“ESOS 2017”] to the person(s) who are in employment of the subsidiary (ies) of the Bank and who may be eligible under the said Scheme ESOS 2017 whether working in India or outside India, selected on the basis of criteria decided by the Board of Directors of The Federal Bank Limited (hereinafter “the Bank”) or such Committee of the Board as may be authorised under the ESOS 2017 (hereinafter referred to collectively as “subsidiary employees”), exercisable into equity shares of the Bank at such price and on such terms and conditions as may be determined by the Board and in due compliance not exceeding in the aggregate 5% of the issued, subscribed and paid-up capital of the Bank as on 31 March, 2017, with the applicable laws and regulations.

**RESOLVED FURTHER THAT** the terms and conditions of the ESOS 2017 including the mode of grant, exercise of Options from time to time shall apply mutatis mutandis to the subsidiary employees and equity shares so allotted to the subsidiary employees shall rank paripassu in all respects with the then existing equity shares of the Bank.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and sale of division/undertaking or other re-organisation, change in capital and others, the Bank be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under applicable laws, so as to ensure the fair and equitable benefits under ESOS 2017 are passed on to the eligible subsidiary employees.

**RESOLVED FURTHER THAT** the Bank be and is hereby authorised to take necessary steps for listing of the shares allotted under ESOS 2017 on the stock exchanges as per the provisions of Listing Agreement with the concerned stock exchanges, SEBI Regulations and other applicable laws and regulations.

**RESOLVED FURTHER THAT** in addition to above, all Options that have not been granted or have been granted but have / will lapse, cancelled, withdrawn, recalled, surrendered (including those having lapsed by way of forfeiture) or outstanding under the ESOS 2017, whether now or anytime in future, be transferred and made available for grant and the Bank be authorized to issue shares arising out of such options”.

17. To consider and, if thought fit, to pass the following Resolution, with or without modification(s) as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, and Rules made thereunder and any statutory modifications or re-enactment thereof for the time being in force, and subject to the necessary approvals required, if any, in this regard from Reserve Bank of India (“RBI”) and subject further to such other terms, conditions, stipulations, alterations, amendments or modifications as may be required, specified or suggested by RBI which terms, conditions, stipulations, alterations, amendments or modifications, the Board of Directors (herein after referred to as “the Board”, which term shall include any of its duly authorized Committee or individual Director) is hereby authorized to accept as it may deem fit, consent of the Members of the Bank be and is hereby accorded to the alteration of the Bank's Articles of Association in the manner and to the extent hereinafter provided”:

**Article 80 of the Article of Association be substituted as follows:**

“Every deed or other instrument to which seal of the Bank is required to be affixed shall unless the same is executed by a duly constituted attorney for the Bank or unless the Board shall otherwise determine, be signed by any two Directors”

18. To consider and, if thought fit, to pass the following Resolution, with or without modification(s) as a Special Resolution:

**“RESOLVED THAT** pursuant to provisions of Section 42 of the Companies Act, 2013, Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Simplified Listing Agreement for Debt Securities, as amended from time to time and other applicable laws, if any, the provisions of the Memorandum and Articles of Association of the Bank and subject to receipt of such approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the concerned statutory or regulatory authority(ies), the approval of the Members of the Bank be and is hereby accorded to the Board of Directors of the Bank for borrowing/ raising funds in Indian currency by way of issue debt instruments including but not limited to Tier II bonds, Long Term Bonds (Infrastructure & Affordable Housing), Masala Bonds, Green bonds, non-convertible debentures or such other debt securities as may be permitted by RBI from time to time,

upto ₹ 4,000 Crore (Rupees Four Thousand Crore only) in domestic market and/or overseas market, under one or more shelf disclosure document and/or under one or more letter of offers as may be issued by the Bank and in one or more tranches, on a private placement basis during a period of one year from the date of passing of this Resolution, within the overall borrowing limits of the Bank approved by way of special resolution under the provisions of Section 180(1) of the Companies Act 2013, on such terms and conditions for each series / tranches including the price, coupon, premium, discount, tenor, etc. as may be approved by the Board of Directors of the Bank, from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Bank be and is hereby authorized to execute all such agreements, documents, instruments and writings, to settle, questions, difficulties or doubts that may arise with regard to the said matter as it may in its sole and absolute discretion deem appropriate and to do all such acts, deeds, matters and things as may be required to give effect to this resolution.

**RESOLVED FURTHER THAT** the Board of Directors of the Bank be and is hereby authorized to delegate all or any of its powers herein conferred to any Committee of Board of Directors of the Bank or any one or more of the Directors or Executives of the Bank or any Committee of the Executives of the Bank, for giving effect to this resolution".

19. To consider and, if thought fit, to pass the following resolution, with or without modification as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and other applicable rules, if any, (including any statutory modification(s) or re-enactment thereof for the time being in force) and in supersession of the resolution limiting the borrowing authority of the Board of Directors of the Bank (“Board”) upto ₹ 3000 Crore over and above the Paid up Capital and Free Reserves of the Bank passed by the Bank at the Annual General Meeting held on 17 July 2014, the Board be and is hereby authorized to borrow moneys from time to time such that the amount of such moneys borrowed and remaining to be repaid shall in the aggregate not exceed ₹ 7000 Crore (Rupees Seven Thousand Crore) over and above the Paid up Capital and Free Reserves of the Bank, notwithstanding that the moneys to be borrowed, together with the moneys already borrowed by the Bank may exceed the aggregate of the Banks Paid up Capital and Free Reserves, that is to say, reserves not set apart for any specific purposes.”

**By order of the Board of Directors**

**Place: Aluva**  
**Dated: 07 June, 2017**

**Girish Kumar Ganapathy**  
**Company Secretary**

## NOTES:

1. **A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll, instead of himself/ herself and the proxy need not be a Member of the Bank. A person can act as proxy on behalf of Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Bank. Further, a Member holding more than ten percent of the total share capital of the Bank carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member. The instrument appointing proxy should, however, be deposited at the Registered Office of the Bank not later than forty-eight hours before the commencement of the Meeting.**
2. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. Members/Proxies should fill the Attendance Slip for attending the Meeting. Proxy shall not have a right to speak at the Meeting and shall not be entitled to vote except on a poll.
4. In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members who hold shares in dematerialized form are requested to write their DP ID and Client ID number(s) and those who hold share(s) in physical form are requested to write their Folio Number(s) in the attendance slip for attending the Meeting to facilitate identification of membership at the Meeting.
6. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.
7. The register of Members and share transfer books of the Bank would remain closed from –Wednesday, 05th July 2017 to Friday 14th July 2017(both days inclusive).
8. Dividend on equity shares as recommended by the Board of Directors for the year ended March 31,2017, if approved at the Meeting, will be payable to those eligible Members who hold shares:
  - (a) In dematerialized mode, based on the beneficial ownership details to be received from National Securities Depository Limited and Central Depository Services (India) Limited as on Tuesday, 04th July 2017.
  - (b) In physical mode, if their names appear in the Bank's Register of Members after giving effect to all valid transfers in physical form lodged with the Bank and its Registrar and Transfer Agents on or before Tuesday, 04th July 2017.
9. In support of the “Green Initiative” announced by the Government of India and as per the Listing Agreement executed with Stock Exchanges, electronic copy of the Annual Report and this Notice, inter alia indicating the process and manner of remote e-voting along with attendance slip and proxy form are being sent by e-mail to those Members whose e-mail addresses have been made available to the Bank /Depository Participants unless the Member has requested for a hard copy of the same. For Members who have not registered their e-mail addresses, physical copies of this Notice inter alia indicating the process and manner of remote e-voting along with attendance slip and proxy form, will be sent to them in the permitted mode.

The Bank hereby request Members who have not updated their email IDs to update the same with their respective Depository Participant(s) or with M/s. Integrated Registry Management Services Private Limited, Chennai, Registrar and Transfer Agent (R&T) of the Bank. Further, Members holding shares in electronic mode are also requested to ensure to keep their email addresses updated with the Depository Participants / R&T of the Bank.
10. Shareholders holding shares in physical form are requested to immediately notify change in their address, if any, to the Registrar and Share Transfer Agents, M/s. Integrated Registry Management Services Private Limited, Chennai or to the Registered Office of the Bank, quoting their Folio number(s).
11. Shareholders holding shares in dematerialised mode are requested to intimate all changes pertaining to their Bank details, ECS mandates, email addresses, nominations, power of attorney, change of address/name etc. to their Depository Participant (DP) only and not to the Bank or its Registrar and Share Transfer Agents. Any such changes effected by the DPs will be automatically reflected in the records of the Bank subsequently.
12. Any grievance connected with e-voting should be addressed either to the Company Secretary, The Federal Bank Limited, Federal Towers, Aluva- 683101 or to the Bank's Registrar and Share Transfer Agent, M/s. Integrated Registry Management Services Private Limited, 2nd Floor ,Kences Towers,1, Ramakrishna Street, North Usman Road, T Nagar, Chennai- 600017 or emailed to [secretarial@federalbank.co.in](mailto:secretarial@federalbank.co.in)/[csdstd@integratedindia.in](mailto:csdstd@integratedindia.in)
13. The route map to the venue of the Annual General Meeting also forms part of this Notice.



## EXPLANATORY STATEMENT

### (As required under Section 102(1) of the Companies Act, 2013)

In conformity with Section 102(1) of the Companies Act, 2013 ("the Companies Act") the following explanatory statement set out the material facts relating to Item Nos 3,5,6,7,8,9,10,11,12,13,14,15,16,17,18 and 19 of the Notice.

#### Item No.3

Although not required, the Explanatory Statement is being given in respect of Item No. 3 of the Notice. In terms of Section 152(6)(a) of Companies Act 2013, not less than two-thirds of the total number of directors of a public company are liable to retire by rotation.

The Board of Directors of the Bank at its meeting held on 29th June 2015 had approved the proposal for appointment of Mr. Ashutosh Khajuria as Executive Director of the Bank for a period of two years w.e.f 01st July 2015, for which RBI approval was obtained vide its letter no. DBR. Appt No.9426/08.38.001/2015-16 dated 28th January 2016 and as such Mr. Ashutosh Khajuria took charge as Executive Director & CFO of the Bank w.e.f 28th January 2016 as per the terms and conditions of appointment approved by RBI.

Remuneration/Terms and Conditions of Mr. Ashutosh Khajuria, Executive Officer & CFO of the Bank, as approved by RBI is shown below:

Remuneration	Present Terms and Conditions as Executive Director and CFO and approved by RBI
1	2
1. Salary	i) Basic Salary ₹ 20,00,000/- per annum ii) Personal Fixed pay ₹ 45,00,000/- per annum
<b>Total</b>	₹ 65,00,000/-per annum
2. House Rent allowance	Leased accommodation @ ₹ 18,50,000/- per annum or own arrangement @ ₹ 14,00,000/- per annum
3. Entertainment Allowance	Bank's Corporate Membership of One club
4. Performance linked incentive	With prior approval of RBI
<b>Perquisites</b>	
1. Free furnished House	Nil
2. Driver's Wages	₹ 2,20,000/- per annum
3. Free Use of Bank's Car for a. Official Purposes b. For private purposes on compensating the Bank with suitable amount	Entitled to use Bank's Car for official purposes and private purposes.
4. Provident Fund	10 % of Basic Salary (₹ 2,00,000) per annum
5. Pension	Not eligible
6. Gratuity	As applicable
7. A. Travelling B. Halting Allowances	Actual expenses incurred, supported by bills
8. Medical Benefits	Reimbursement of medical expenses, including hospitalization in full for self & dependents.
<b>Other Benefits</b>	
9. ESOS	With prior approval of RBI
10. Official Travel	Highest class by whichever mode within the country and business class by Air on foreign travel.
11. Personal Accident Insurance	Coverage ₹ 30,00,000/-
12. Telephone, Mobile and Ipad	Actual of cost and call charges.
13. Leave Fare Concession	Once in a year for Domestic travel by highest class by whichever mode of travel anywhere in India. Once in two years for foreign travel and reimbursement is limited to ₹ 1,25,000/- per person.

During FY 2016-17 Mr. Ashutosh Khajuria was paid an aggregate amount of ₹ 80.71 Lakh as remuneration. For break up of remuneration paid, kindly refer to details contained in Annual Report.

Mr. Ashutosh Khajuria aged 56 years is a Graduate in Science and Law and also a Post Graduate in Economics. He has been working as President – Treasury in our Bank since 2011. He has over thirty years of banking experience, having worked in SBI, IDBI Bank Ltd., and had handled forex business, international banking, corporate credit etc. there at. He is an expert in treasury operations and has featured regularly in various television channel discussions and is also a regular invitee as panelist on various topics in Industry level conferences.

Mr. Ashutosh Khajuria is a director on following other companies as on 31st March 2017

IDBI Federal Life Insurance Company Limited - Director

He is on the Committee of the Board of following Companies as on 31st March 2017

IDBI Federal Life Insurance Company Limited - Chairman of Investment Committee.

Member (Business Development Committee, and Risk Management Committee)

Presently he is a member of Risk Management Committee, Special Committee of the Board for monitoring & follow up of cases of Fraud (SCBF), Customer Service & Marketing Strategy Committee, Investor Grievance, Share Transfer & Stakeholder Relationship Committee and Corporate Social Responsibility Committee of the Board of the Bank. Mr. Ashutosh Khajuria attended eleven Board meetings in Financial Year 2016-17. Mr. Ashutosh Khajuria holds 42000 shares of the Bank as on 31 March 2017 in his personal capacity only.

Mr. Ashutosh Khajuria is not related to any other Director and Key Managerial Personnel of the Bank.

Accordingly, your Directors recommend the adoption of the Resolution No. 3 of the Notice for the re-appointment of Mr. Ashutosh Khajuria as the Director of the Bank who is liable to retire by rotation.

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution No. 3 of the Notice except Mr. Ashutosh Khajuria.

#### **Item No.5**

In accordance with the provisions of Section 139 and Section 143(8) of the Companies Act, 2013, RBI and other regulatory requirements, the shareholders of the Bank may authorize its Board of Directors to appoint branch auditors in consultation with the Bank's(Central Statutory) auditors.

Accordingly, your Directors recommend the adoption of the Resolution No. 5 of the Notice.

None of the Directors, Key Managerial Personnel or relatives thereof are in any way, concerned or interested in this resolution.

#### **Item No.6**

Mr. Shyam Srinivasan was reappointed as the Managing Director and Chief Executive Officer, by the Board of the Bank for a period of three years, with effect from September,23 2016 to September,22 2019, on the completion of his second term, for which approval from Reserve Bank of India was obtained vide letter No.DBR Appt No.1374/08.38.001/2016-17 dated July 28,2016, on the existing terms and conditions.

Mr. Shyam Srinivasan took charge as the Managing Director & CEO of Federal Bank on 23rd September 2010 with RBI approval. He joined Federal Bank, equipped with the experience of over 20 years with leading multinational banks in India, Middle East and South East Asia, where he gained significant expertise in retail lending, wealth management and SME banking.

Mr. Shyam Srinivasan aged 55 years is an alumnus of the Indian Institute of Management, Kolkata and Regional Engineering College, Tiruchirapally. He has completed a Leadership Development Program from the London Business School and has served on the Global Executive Forum (the top 100 executives) of Standard Chartered Bank from 2004 to 2010.

At Federal Bank, he has been instrumental in implementing various path-breaking initiatives which include : Increasing the presence and visibility of the Bank to a national level, creating an inherent capability within the Bank to reinvent and re-implement processes - especially the customer-critical ones, initiating the Total Quality Management Journey of the Bank, focusing on under-writing quality at every stage right from credit selection, incubating the human resource potential of the Bank and so on. He continues to strive hard to create a culture of Ethics and Excellence in the Bank, which he so believes in.

There was growth both in the size of the business of the Bank and also on the profitability of the Bank, since he had taken charge as MD & CEO of the Bank. The Bank crossed milestone figure of ₹ 1000 Crore in net profit, for the year ended March 2015, during his period, for the first time in its history.

Total Business position and Profit of the Bank comparison for FY 2011 and FY 2017 is shown below:

	31.03.2011	31.03.2017
Total Business of the Bank (₹ in Crore)	74968.01	91779
Net Profit of the Bank (₹ in Crore)	587.08	830.79

**Remuneration of the Managing Director and Chief Executive Officer, and as approved by RBI vide letter No.DBR Appt No.1374/08.38.001/2016-17 dated July 28,2016, is shown below**

Particulars	Existing terms and conditions
<b>1. Remuneration:</b>	
Salary	₹1,20,00,000/- per annum
Dearness Allowance	Nil
House Rent allowance	Nil
Conveyance Allowance	Nil
Entertainment Allowance	During his tenure, he can make use of Bank's corporate membership of one or more clubs
Total	₹ 120,00,000/-p.a.
Others Allowances-Variable Pay	With Prior approval of RBI
<b>2. Perquisites</b>	
Free furnished House	The Bank will provide free and furnished accommodation. Bank will bear the cost of furnishing upto ₹ 10 lakh. At the time of leaving the Bank the MD & CEO has the option of taking over the furniture, fittings, appliances etc at the then book value at the Bank's books.
Free Use of Bank's Car for a. Official Purposes b. For private purposes on compensating the Bank with suitable amount	a. Free use of Bank's car (with driver) for official purposes. b. For personal use, ₹ 250/- per month would be recovered.
<b>3. Provident Fund</b>	10 % of the pay, to be matched by MD's contribution
<b>4. Gratuity</b>	As applicable
<b>5. Pension</b>	Not eligible
<b>6. A. Travelling B. Halting Allowances</b>	Actual expenses incurred, and certified by self. ₹ 1000/- per day if expenses are not claimed ₹ 2000/- per day if both boarding and lodging expenses are not claimed
<b>7. Medical Benefits</b>	During MD's tenure actual expenses incurred including hospitalization in full for him, wife and dependent family members. This is however subject to any recoveries made arising out of his previous employment upon the MD & CEO laying down his office after serving at least three years as MD & CEO, the Bank will pay or reimburse the full premiums payable/paid on the policy or policies issued under a medical insurance plan covering hospitalization and other medical expenses incurred on the MD & CEO and his wife up to ₹ 10 lakh each per annum for life. However, if no Medical insurance plan is available the entire medical expenses for self and his wife would be reimbursed by the Bank.
Leave Encashment	As applicable to other officers of the Bank. Encashment will be allowed once in a year.
Salary of attendant at residence	Reimbursement of actual salary upto ₹ 100000/- per annum with effect from 01.06.2015 during his tenure in the office
ESOP	With prior approval of RBI
Leave fare Concession	-

During FY 2016-17 Mr. Shyam Srinivasan was paid an aggregate amount of ₹ 113.76 Lakh as remuneration. For break up of remuneration paid, kindly refer to details contained in Annual Report. No revision of remuneration has been made for the third tenure re-appointment and also no variable pay has been paid to MD during the Financial Year 2016-17.

Mr. Shyam Srinivasan is a director in following other companies as on 31st March 2017

- |    |   |   |                          |
|----|---|---|--------------------------|
| 1. | Fedbank Financial Services Limited                          | - | Director                 |
| 2. | IDBI Federal Life Insurance Company Limited                 | - | Director                 |
| 3. | Indian Institute of Banking and Finance (Guarantee Company) | - | Governing Council Member |

He is on the Committee of the Board of following Companies as on 31st March 2017

- |    |   |   |   |
|----|---|---|---|
| 1. | IDBI Federal Life Insurance Company Limited | - | Chairman (Policy Holder Protection Committee) |
|    |   | - | Member (Nomination & Remuneration Committee)  |
| 2. | Fedbank Financial Services Limited          | - | Member (Credit Committee and CSR Committee)   |

Mr. Shyam Srinivasan holds 200000 shares of the Bank as on 31 March 2017, in his personal capacity only. Presently he is the Chairman of Special Committee of the Board for monitoring & follow up of cases of Fraud (SCBF) and member of Risk Management Committee, Customer Service and Marketing Strategy Committee, Credit Committee & Investment and Raising Capital Committee, Information Technology & Operations Committee, Investor Grievance, Share Transfer & Stakeholder Relationship Committee, Committee for Human Resource Policy, Corporate Social Responsibility Committee, Review Committee of the Board on Non Cooperative Borrowers and Review Committee of the Board for Wilful Defaulters of the Bank. Mr. Shyam Srinivasan attended eleven Board meetings in Financial Year 2016-17, out of total eleven Board meetings held during the year. Mr. Shyam Srinivasan is not related to any other Director and Key Managerial Personnel of the Bank.

Accordingly, your Directors recommend the passing of Resolution No 6, in terms of Reserve Bank of India's approval for the reappointment of Mr. Shyam Srinivasan, Managing Director & CEO of the Bank for a period of three years with effect from 23 September, 2016.

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution at Item No. 6 of the Notice except Mr. Shyam Srinivasan.

#### **Item No.7**

The Board of Directors of the Bank at its meeting held on 10th March 2016 appointed Mr. Ganesh Sankaran as Executive Director of the Bank, for which RBI approval was obtained vide its letter no. DBR. Appt No.163/08.38.001/2016-17 dated 04th July 2016 and as such Mr. Ganesh Sankaran took charge as Executive Director of the Bank w.e.f 04th July 2016 after getting the RBI approval for a period of two years w.e.f 04th July 2016.

Mr. Ganesh Sankaran aged 47 years is an alumnus of VJTI Mumbai and also has a Masters degree in Business Administration from Symbiosis Institute of Business Management.

He brings banking experience of over 21 years across Relationship and Risk functions. He has top quality exposure in building corporate relationships and providing strategic direction for managing credit risk across diverse verticals. He was a senior leader in wholesale banking at HDFC Bank and was responsible for managing the balance sheet and profitability for the corporate bank as well as influencing and driving strategic initiatives. He brings firsthand experience to risk dimensions in several key domains such as SME, commercial transportation, agriculture lending, microfinance and sustainable livelihood, large ticket retail lending, risk intelligence & control etc.

At Federal Bank, he is in charge of creating a robust Wholesale bank as well as bringing senior leadership strategy insight in building a high quality franchise. Mr. Ganesh Sankaran represents sectors Banking, credit and risk management as per section 10 A of the Banking Regulation Act, 1949.

The Employee Stock Option Scheme of the Bank (ESOS 2010) was approved by the shareholders through Postal Ballot. As per the Scheme, the Board of Directors in the year 2016, and RBI vide letter DBR. Appt. No.12037/08.38.001/2016-17 dated April 10, 2017 approved the grant of 3,00,000 options to Mr. Ganesh Sankaran, Executive Director of the Bank, to be granted over 4 years in equal installments of 75000 (Seventy Five Thousand only) options per year @ ₹ 72.45 per option.

During FY 2016-17 Mr. Ganesh Sankaran was paid an aggregate amount of ₹ 84.60 Lakh as remuneration. For break up of remuneration paid to Mr. Ganesh Sankaran, kindly refer to details contained in Annual Report. Mr. Ganesh Sankaran is not related to any other Director and Key Managerial Personnel of the Bank.

Accordingly, your Directors recommend the passing of Resolution No 7 of the Notice, for Grant of 3,00,000 options as ESOS, ₹ 72.45 per option to Mr. Ganesh Sankaran, Executive Director of the Bank.

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution at Item No. 7 of the Notice except Mr. Ganesh Sankaran.

#### **Item No.8**

Mr. K M Chandrasekhar was appointed as an Additional Independent Director on the Board of the Bank on 06.12.2012 and was elected as a Director at the 82nd Annual General Meeting held on 20.07.2013. He was elected as an Independent Director on the Board of the Bank at the Annual General Meeting held on 17.07.2014. He was appointed as the Chairman of the Board of the Bank for a period of one year w.e.f 01st March 2017, for which RBI approval was obtained vide letter DBR.Appt.No.1062/08.38.001/2016-17 dated March 07, 2017.

The Board of Directors fixed the remuneration payable to Mr. K M Chandrasekhar as ₹1,25,000/- per month (₹.15,00,000/- (Rupees Fifteen Lakh only) per annum) in addition to payment of sitting fee for attending Board/Committees meetings, for which Reserve Bank of India approval has been obtained vide their letter. DBR Appt No.1062/08.38.001/2016-17 dated March 07, 2017. Before taking charge as Chairman of the Board of the Bank, Mr. K M Chandrasekhar was paid only sitting fee for attending Board/Committees meetings and reimbursement of expenses for participation in Board/Committee meetings. Mr. K M Chandrasekhar is not related to any other Director and Key Managerial Personnel of the Bank.

Accordingly, your Directors recommend the Resolution No.8 for payment of remuneration of ₹ 1,25,000/- per month (₹15,00,000/- (Rupees Fifteen Lakh only) per annum) to Mr. K M Chandrasekhar, Chairman of the Board of the Bank as approved by Reserve Bank of India, in addition to payment of sitting fee for attending Board/Committees meetings and reimbursement of expenses for participation in Board/Committee meetings.

The detailed profile of Mr. K M Chandrasekhar is given along with item No: 10 of the Notice.

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution at Item No. 8 of the Notice except Mr. K M Chandrasekhar.

#### **Item No.9**

The non-executive Directors in private sector banks were hitherto permitted to be paid only sitting fees and reimbursement of expenses for participation in the Board and other meetings. Reserve Bank of India (RBI) issued guidelines on June 1, 2015 regarding compensation of non-executive Directors (excluding part-time Chairman) of private sector banks and permitted the payment of profit-related commission upto ₹ 1 million per annum to non-executive Directors.

The guidelines clearly articulate the fact that there is a need to bring in professionalism to the boards of banks and in order to enable banks to attract and retain professional directors, it is essential that such directors are appropriately compensated. The guidelines also stipulated that the Board of Directors, in consultation with its Remuneration Committee should formulate and adopt a comprehensive compensation policy for the non-executive Directors (other than the part-time non-executive Chairman) and while formulating the policy, the Board shall ensure compliance with the provisions of the Companies Act, 2013. The Non-Executive Part-Time Chairman of private sector banks are entitled to receive a fixed remuneration subject to approval of RBI.

With the advent of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the roles and responsibilities of the non-executive Directors have undergone significant change requiring enhanced time and attention from the non-executive Independent Directors.

Considering all of the above, the Board at its Meeting held on 22nd December 2016 (based on the recommendations of the Nomination, Remuneration, Ethics & Compensation Committee), decided to seek the approval of shareholders for payment of profit related commission and the Board had in its meeting dated 07th June 2017 approved the payment of profit related commission not exceeding ₹ 1 million (₹ 1,000,000) per annum to each Non-Executive/Independent Director of the Bank other than part-time Chairman, in addition to sitting fees and reimbursement of expenses for attending the meetings of the Board of Directors and/or other meetings, subject to approval of Members and such other regulatory approvals as may be required.

Approval of the Members is sought subject to availability of net profits at the end of each financial year for payment of profit related commission not exceeding ₹ 1 million (₹ 1,000,000) per annum to each Non-Executive/ Independent Directors of the Bank other than Part-Time Chairman from the financial year ended March 31, 2017 onwards. The total commission payable shall be within the limits as prescribed under Section 197 of the Companies Act, 2013 and shall not exceed one percent of the net profits of the Bank computed in accordance with the manner laid down in Section 198 of the Companies Act, 2013.

Your Directors recommend the Resolution No. 9 of the accompanying Notice for approval of the Members of the Bank for

payment of compensation in the form of profit related commission not exceeding ₹ 1 million (₹ 1,000,000) per annum to the Non-Executive Independent directors of the Bank (other than the Part-time Chairman) in addition to sitting fees paid for attending Board/Committee meetings and reimbursement of expenses for participation in Board/Committee meetings.

All the non-executive Directors (other than the non-executive part-time Chairman) of the Bank and their relatives are concerned or interested in passing of this resolution. None of the other Directors, Key Managerial Personnel of the Bank and their relatives are in any way concerned or interested, financially or otherwise in the passing of the Resolution at Item No. 09 of the Notice.

As per the requirements of Secretarial Standard 2 issued by the Institute of Company Secretaries of India, the details of all the non-executive/ Independent Directors (other than Part time Chairman) who are entitled for commission of not exceeding ₹ 1 million (₹ 1,000,000) per annum are contained in the explanatory statement of item nos 11,12,13,14 and 15 except for Mr. C Balagopal.

Brief Details relating to Mr. C Balagopal are as shown below:

Mr. Chandrasekhar Balagopal, aged 64 years is a post graduate in Economics from Madras University. He then joined the Indian Administrative Service in 1977 and worked in various posts in Manipur and Kerala. He resigned from the IAS in 1983, to set up a company to manufacture indigenously developed biomedical devices for the first time in the country. This came to be known as Terumo Penpol Ltd. and is one of the biggest manufacturers and exporters of blood bag systems in the world. Mr. Chandrasekhar Balagopal, is involved in mentoring and investing in startup ventures, community development activities and writing. He is a mentor at the Medical Technology Business Incubator, SCTIMST. He is a Charter member and first President of TiE Kerala. He is also a member of Ethics Committee of Rajiv Gandhi Center for Biotechnology, Investment Promotion Board of Kerala, and the Technology Development Council of Sree Chitra Thirunal Institute for Medical Science & Technology.

The Board of Directors had appointed Mr. Chandrasekhar Balagopal as an Additional Independent Director at its Board meeting held on 29 June 2015 under Section 161 of the Companies Act, 2013. He was appointed as an Independent Director by the shareholders in the Annual General Meeting held on 11th August 2016. During FY 2016-17, Mr. C Balagopal was paid an amount of ₹ 1,170,000 as remuneration/sitting fees.

#### **Item No. 10**

Mr. K M Chandrasekhar was appointed as an Additional Independent Director on the Board of the Bank on 06.12.2012 and was elected as a Director at the 82nd Annual General Meeting held on 20.07.2013. He was elected as an Independent Director on the Board of the Bank at the Annual General Meeting held on 17.07.2014. The period of three years will get completed on 16.07.2017.

The Board of Directors have reviewed the declaration made by Mr. K M Chandrasekhar and he meets the criteria of independence as provided in Section 149(6) read with Schedule IV of the Companies Act, 2013, and the Board is of opinion that he fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder and is independent of the management.

In terms of section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company but shall be eligible for reappointment on passing of a special resolution by the company for a further period of upto five years. The relevant sections and rules under Banking Regulation Act, 1949 and prescribed by RBI from time to time are applicable to all Directors of the Bank. A special resolution is hence put forth at this Annual General Meeting, for the shareholders approval, for the reappointment of Mr. K.M. Chandrasekhar as an Independent Director on the Board of the Bank for a further period of one (1) year with effect from 17th July 2017 or till the date of his retirement whichever is earlier.

Mr. K.M. Chandrasekhar, aged 69 years, entered the Indian Administrative Service in 1970. Prior to that, he did B.A (Honours) in Economics and M.A. in History from St. Stephen's, College, University of Delhi. After entering Government Service, he got the M.A degree in Management Studies from the University of Leeds in United Kingdom. He spent the first 25 years of his career in Kerala, holding such positions as Managing Director of the State Civil Supplies Corporation, District Collector, Idukki, Director of Fisheries, Principal Secretary (Industries) and Principal Secretary (Finance). During this period, he was also Chairman of the Spices Board under the Ministry of Commerce, Government of India. In 1996, he left Kerala on Central Government deputation and rose to the highest position that any Indian civil servant can occupy that of Union Cabinet Secretary. As Cabinet Secretary, he was Head of all the Civil Services in India and reported directly to the Prime Minister of India. He has considerable management experience having been associated – as Chairman, Managing Director or Member of the Board of Directors – of more than 40 companies in the public, joint and private sector. Mr. K M Chandrasekhar was the Vice Chairman of Kerala State Planning Board, with cabinet rank. Currently, he is serving as President of Sree Chitra Thirunal Institute of Medical Sciences and Technology-Trivandrum, Chairman of Centre for Development Studies-Trivandrum and Member of Committee on Innovative Collaborations set up by Government of India.

Mr. K.M. Chandrasekhar is not related to any Director or Key Managerial Personnel of the Bank. Mr. K.M. Chandrasekhar did not hold any shares of the Bank as on 31.03.2017. During FY 2016-17, Mr. K M Chandrasekhar was paid an amount of ₹1,635,000 as sitting fees for attending Board/Committee meetings. Mr. K M Chandrasekhar attended eleven Board meetings in Financial Year 2016-17, out of total eleven Board meetings held during the year. The remuneration sought to be paid to Mr. K M Chandrasekhar, as Chairman of the Bank is mentioned in Item No.08 of the Notice.

Presently he is the Chairman of the Board of the Bank, Chairman of Customer Service and Marketing Strategy Committee and member of Credit Committee & Investment and Raising Capital Committee, Nomination, Remuneration, Ethics and Compensation Committee and Corporate Social Responsibility Committee.

Mr. K.M. Chandrasekhar is not related to any Director or Key Managerial Personnel of the Bank. Based on the performance evaluation of Chairman of the Bank, done by the Nomination, Remuneration, Ethics and Compensation Committee and Board of the Bank/ Independent Directors of the Bank, the performance was found to be good.

Accordingly your Directors recommend for approval, the resolution of the shareholders for reappointing Mr. K.M. Chandrasekhar as an Independent Director of the Bank, for a period of one (1) year with effect from 17th July 2017 or till date of his retirement whichever is earlier.

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution at Item No. 10 of the Notice except Mr. K.M. Chandrasekhar.

#### **Item No.11**

CA. Nilesh Shivji Vikamsey was appointed as an Additional Independent Director on the Board of the Bank on 24.06.2011 and was elected as a Director at the 80th Annual General Meeting held on 03.09.2011. He was elected as an Independent Director on the Board of the Bank at the Annual General Meeting held on 17.07.2014 from a period of three years. The period of three years will get completed on 16.07.2017.

The Board of Directors have reviewed the declaration made by CA. Nilesh Shivji Vikamsey and he meets the criteria of independence as provided in Section 149(6) read with Schedule IV of the Companies Act, 2013, and the Board is of opinion that he fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder and is independent of the management.

In terms of section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company but shall be eligible for reappointment on passing of a special resolution by the company for a further period of upto five years. The relevant sections and rules under Banking Regulation Act, 1949 and prescribed by RBI from time to time are applicable to all Directors of the Bank. A special resolution is hence put forth at this Annual General Meeting, for the shareholders approval, for the reappointment of CA. Nilesh Vikamsey as an Independent Director on the Board of the Bank for a further period of three (3) years with effect from 17th July 2017 or till the date of his retirement whichever is earlier.

Mr. Nilesh Shivji Vikamsey, aged 52 years is a Chartered Accountant by profession, and holds a Diploma in Information System Audit and was also associated with Business Consultancy Studies Course of Bombay Chartered Accountants Society jointly with Jamnalal Bajaj Institute of Management Studies. He is the senior partner of Khimji Kunverji & Co, Chartered Accountants, a firm which has over 80 years of experience in the areas of Auditing, Taxation, Corporate & Personal Advisory Services, Business & Management Consulting Services, due diligence, valuations, inspections, and investigations. He is a member of the Central Council and President of the Institute of Chartered Accountants of India (ICAI) from 12 February 2017 onwards.

Mr. Nilesh Vikamsey is on the Board of following other Companies as on 31st March 2017:

IIFL Holdings Limited	-	Director
SBI Life Insurance Company Limited	-	Director
IIFL Wealth Management Limited	-	Director
India Infoline Finance Limited	-	Director
Navneet Education Limited	-	Director
HLB Offices and Service Private Limited	-	Director
Trunil Properties Private limited	-	Director
Barkat Properties Private Limited	-	Director
Thomas Cook (India) Limited	-	Director

SOTC Travel Services Private Limited	-	Director
Extensible Business Reporting Language (XBRL) India	-	Director
PNB Housing Finance Limited	-	Director
NSEIT Limited	-	Director
ICAI Accounting Research Foundation	-	Director
Indian Institute of Insolvency Professionals of ICAI	-	Director

He is on the Committee of the Board of following other Companies as on 31st March 2017

IIFL Holdings Limited	-	Member (Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and CSR Committee)
SBI Life Insurance Company Limited	-	Member (Audit Committee, Investment Committee, Risk Management Committee, Policy Holder Protection Committee and Nomination and Remuneration Committee)
IIFL Wealth Management Limited	-	Member (Audit Committee, Nomination and Remuneration Committee, CSR Committee)
Navneet Education Limited	-	Member (Audit Committee)
Thomas Cook (India) Limited	-	Chairman (Audit Committee)
SOTC Travel Services Private Limited	-	Chairman (Audit Committee) Member(Nomination and Remuneration Committee)
PNB Housing Finance Limited	-	Member(Audit Committee, Nomination and Remuneration Committee)
NSEIT Limited	-	Member(Audit Committee)

Presently he is the Chairman of Nomination, Remuneration, Ethics and Compensation Committee, member of Audit Committee, Special Committee of the Board for monitoring and follow up of cases of Frauds (SCBF) and Committee for Human Resource Policy of the Board of the Bank. He does not hold any shares of the Bank as on 31st March 2017. Mr. Nilesh Vikamsey attended eleven Board meetings in Financial Year 2016-17, out of total eleven Board meetings held during the year. During FY 2016-17, Mr. Nilesh Vikamsey was paid an amount of ₹ 4,430,833 as remuneration/sitting fees.

Mr. Nilesh Vikamsey is not related to any Director or Key Managerial Personnel of the Bank.

Based on the performance evaluation of Mr.Nilesh Vikamsey, done by the Nomination, Remuneration, Ethics and Compensation Committee and Board of the Bank, the performance was found to be good.

Accordingly your Directors recommend for approval, the resolution of the shareholders for reappointing Mr. Nilesh Vikamsey as an Independent Director of the Bank, for a period of three (3) years with effect from 17th July 2017 or till date of his retirement whichever is earlier.

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution at Item No. 11 of the Notice except CA. Nilesh S Vikamsey.

#### **Item No.12**

Mr. Dilip Gena Sadarangani was appointed as an Additional Independent Director on the Board of the Bank on 04.06.2013 and was elected as a Director at the 82nd Annual General Meeting held on 20.07.2013. He was elected as an Independent Director on the Board of the Bank at the Annual General Meeting held on 17.07.2014 from a period of three years. The period of three years will get completed on 16.07.2017.

The Board of Directors has reviewed the declaration made by Mr. Dilip.G. Sadarangani, and he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013, and the Board is of opinion that he fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder and is independent of the management.

In terms of section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company but shall be eligible for reappointment on passing of a special resolution by the company for a further period of upto five years. The relevant sections and rules under Banking Regulation Act, 1949



and prescribed by RBI from time to time are applicable to all Directors of the Bank. A special resolution is hence put forth at this Annual General Meeting, for the shareholders approval, for the reappointment of Mr. Dilip.G.Sadarangani as an Independent Director on the Board of the Bank for a further period of three (3) years with effect from 17th July 2017 or till the date of his retirement whichever is earlier.

Mr. Dilip.G.Sadarangani aged 67 years has wide experience in Banking/Technology/Operations, and includes management, maintenance and support of IT software projects as well as IT operations. He has developed and put in place processes and IT policies and continuity plans in three leading Banks in India, Australia and Kuwait.

Mr. Dilip.G.Sadarangani holds a Bachelor of Science (Hons) degree from University of Bombay. He also holds a post graduate diploma in Computer Management from Jamnalal Bajaj Institute of Management, University of Bombay. He has developed Business-Technology strategies for ANZ Grindlays Bank, Standard Chartered Bank (SCB), India, Gulf Bank, Kuwait and Man Power, Asia Pacific. He was a key member of the Global Leadership team in ANZ Bank (Australia), Standard Chartered Bank (India & Global), Gulf Bank (Kuwait) and Manpower Inc (Asia Pacific & Global). He was also a Core member of the team which automated the first 50 branches of one of the largest financial institutions in the world –State Bank of India.

Mr. Dilip Sadarangani is on the Board of following other Companies as on 31st March 2017:

Fedbank Financial Services Ltd - Director

He is on the Committee of the Board of following other Companies as on 31st March 2017

Fedbank Financial Services Ltd - Chairman (Nomination Committee, CSR Committee and IT Committee)

- Member (Audit Committee, Credit Committee, Risk Management Committee)

Presently he is the Chairman of the Committee for Information Technology and Operations Committee and Investor Grievance, Share Transfer & Stakeholder Relationship Committee and member of Credit Committee & Investment and Raising Capital Committee, Nomination, Remuneration, Ethics and Compensation Committee, Review of the Board on Non Cooperative Borrowers. He does not hold any shares of the Bank as on 31st March 2017. Mr. Dilip Sadarangani attended eleven Board meetings in Financial Year 2016-17, out of total eleven Board meetings held during the year. During FY 2016-17, Mr. Dilip Sadarangani was paid an amount of ₹ 1,805,000 as sitting fees for attending Board/Committee meetings.

Mr. Dilip Sadarangani is not related to any Director or Key Managerial Personnel of the Bank. Based on the performance evaluation of Mr. Dilip Sadarangani, done by the Nomination, Remuneration, Ethics and Compensation Committee and Board of the Bank, the performance was found to be good.

Accordingly your Directors recommend for approval, the resolution of the shareholders for reappointing Mr. Dilip Sadarangani as an Independent Director of the Bank, for a period of three (3) years with effect from 17th July 2017 or till date of his retirement whichever is earlier.

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution at Item No. 12 of the Notice except Mr. Dilip. G. Sadarangani.

### **Item No.13**

The Board of Directors have co-opted Mr. Harish H Engineer, as an Additional Independent Director at its Board meeting held on 19 October 2013 and was elected as an Independent Director on the Board of the Bank at the Annual General Meeting held on 17.07.2014 for a period of three years. The period of three years will get completed on 16.07.2017.

The Board of Directors has reviewed the declaration made by Mr. Harish H Engineer, and he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013, and the Board is of opinion that he fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder and is independent of the management.

In terms of section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company but shall be eligible for reappointment on passing of a special resolution by the company for a further period of upto five years. The relevant sections and rules under Banking Regulation Act, 1949 and prescribed by RBI from time to time are applicable to all Directors of the Bank. A special resolution is hence put forth at this Annual General Meeting, for the shareholders approval, for the reappointment of Mr. Harish H Engineer as an Independent Director on the Board of the Bank for a further period of two (2) years with effect from 17th July 2017 or till the date of his retirement whichever is earlier.

Mr. Harish H Engineer aged 68 years is a Science graduate from Bombay University and holds a Diploma in Business Management from Hazarimal Somani College, Mumbai. Mr. Harish Engineer has been associated with HDFC Bank since 1994 in various capacities and was also the Executive Director on the Board of HDFC Bank responsible for Wholesale

Banking including International Banking. He has over 46 years of experience in the fields of Finance and Banking. Prior to joining HDFC bank Mr. Harish H Engineer worked with the Bank of America for 26 years in various areas including operations and corporate credit management. During his stint with Bank of America he worked in various locations like Hong Kong, Los Angeles, London, Singapore, Thailand and Indonesia.

Mr. Harish H Engineer is on the Board of following Companies as on 31st March 2017:

Navin Flourine International Ltd	-	Director
Infrastructure Leasing and Financial Services Ltd	-	Director
Barclays Investments and Loans (India) Ltd	-	Director
International Asset Reconstruction Company Private Ltd	-	Director
Aditya Birla Capital Advisors Private Ltd	-	Director
Piramal Finance Limited	-	Director
HDFC property Ventures Limited	-	Director
Peerless Funds Management Co Ltd	-	Director
Birla Sun Life Pension Management Limited	-	Director
IIML Asset Advisors Limited	-	Director

He is on the Committee of the Board of following Companies as on 31st March 2017:

Infrastructure Leasing and Financial Services Ltd	-	Member (Audit Committee and Nomination & Remuneration Committee)
Navin Flourine International Ltd	-	Member (CSR Committee)
Barclays Investments and Loans (India) Ltd	-	Member (Subsidiary Audit Committee, Corporate Social Responsibility (CSR) Committee, Nomination & Remuneration Committee).
International Asset Reconstruction Company Private Ltd	-	Member ( Fund Committee (IARF – I & 11), Asset Acquisition & Reconstruction Committee, Fund Raising Committee).
Aditya Birla Capital Advisors Private Ltd	-	Member of Audit & Investment Committee
Piramal Finance Limited	-	Member (Audit & Risk Committee, Nomination & Remuneration Committee)
HDFC property Ventures Limited	-	Chairman (Audit Committee), Member (Nomination & Remuneration Committee)
Peerless Funds Management Co Ltd	-	Member (Audit & Risk Committee, Business Plan & Monitoring Committee)
Birla Sun Life Pension Management Limited	-	Member (Audit and Risk Committee, Nomination & Remuneration Committee)
IIML Asset Advisors Limited	-	Chairman of Audit & Conflicts Committee

Presently he is the Chairman of Credit Committee & Investment and Raising Capital Committee, and Corporate Social Responsibility Committee, member of Customer Service & Marketing Strategy Committee, Review Committee of the Board on Non Cooperative Borrowers, Review Committee of the Board for Wilful Defaulters. He does not hold any shares of the Bank as on 31st March 2017. Mr. Harish Engineer attended eight Board meetings in Financial Year 2016-17, out of total eleven Board meetings held during the year. Mr. Harish Engineer is not related to any other Director of the Bank. During FY 2016-17, Mr. Harish Engineer was paid an amount of ₹ 1,190,000 as sitting fees for attending Board/Committee meetings.

Mr. Harish Engineer is not related to any Director or Key Managerial Personnel of the Bank. Based on the performance evaluation of Mr. Harish Engineer, done by the Nomination, Remuneration, Ethics and Compensation Committee and Board of the Bank, the performance was found to be good.

Accordingly your Directors recommend for approval, the resolution of the shareholders for reappointing Mr. Harish

Engineer as an Independent Director of the Bank, for a period of two (2) years with effect from 17th July 2017 or till date of his retirement whichever is earlier.

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution at Item No. 13 of the Notice except Mr. Harish Engineer.

#### **Item No.14**

The Board of Directors have co-opted Ms. Grace Elizabeth Koshie, as an Additional Independent Director at its Board meeting held on 22 November 2013 and was elected as an Independent Director on the Board of the Bank at the Annual General Meeting held on 17.07.2014 for a period of three years. The period of three years will get completed on 16.07.2017.

The Board of Directors has reviewed the declaration made by Ms. Grace Elizabeth Koshie and she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013, and the Board is of opinion that she fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder and is independent of the management.

In terms of section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company but shall be eligible for reappointment on passing of a special resolution by the company for a further period of upto five years. The relevant sections and rules under Banking Regulation Act, 1949 and prescribed by RBI from time to time are applicable to all Directors of the Bank. A special resolution is hence put forth at this Annual General Meeting, for the shareholders approval, for the reappointment of Ms. Grace Koshie as an Independent Director on the Board of the Bank for a further period of three (3) years with effect from 17th July 2017 or till the date of her retirement whichever is earlier.

Ms. Grace Elizabeth Koshie, aged 64 years is a postgraduate in Economics with specialization in the area of Econometrics and Monetary Economics from Bombay University, joined Reserve Bank of India in the year 1976 as a Direct Recruit in Grade B. She also holds a PG Diploma in Higher Education and is a Certified Associate of Indian Institute of Bankers. Before joining Reserve Bank, she had worked as a lecturer in Sophia College, Mumbai. As Secretary to the Central Board of the Reserve Bank of India she was responsible for central bank governance and related compliance matters, matters connected to the Meetings of the Central Board and its Committee, and other senior management meetings. Ms. Grace Koshie carries with her rich and varied experience of over 36 years of central banking in the Reserve Bank of India. Ms. Grace Koshie also held the charge of the Foreign Exchange Department in RBI Central Office from 2001-2004. Ms. Grace Koshie had earlier served as RBI nominee Director on the Boards of Dena Bank and Corporation Bank.

Ms. Grace Koshie is on the Board of following other Companies as on 31st March 2017:

Firstsource Solutions Ltd	-	Director
World Vision India	-	Director

She is on the Committee of the Board of following other Companies as on 31st March 2017:

Firstsource Solutions Ltd	-	Member (Audit Committee)
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Presently she is the Chairman of Audit Committee, member of Risk Management Committee, Special Committee of the Board for monitoring and follow up of cases of Frauds (SCBF), Information technology & Operations Committee and Review Committee of the Board for Wilful Defaulters. She does not hold any shares of the Bank as on 31st March 2017. Ms. Grace Koshie attended eleven Board meetings in Financial Year 2016-17, out of total eleven Board meetings held during the year. During FY 2016-17, Ms. Grace Koshie was paid an amount of ₹1,950,000 as sitting fees for attending Board/Committee meetings.

Ms. Grace Koshie is not related to any Director or Key Managerial Personnel of the Bank. Based on the performance evaluation of Ms. Grace Koshie, done by the Nomination, Remuneration, Ethics and Compensation Committee and Board of the Bank, the performance was found to be good.

Accordingly your Directors recommend for approval, the resolution of the shareholders for reappointing Ms. Grace Koshie as an Independent Director of the Bank, for a period of three (3) years with effect from 17th July 2017 or till date of her retirement whichever is earlier.

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution at Item No. 14 of the Notice except Ms. Grace Koshie.

#### **Item No.15**

Ms. Shubhalakshmi Panse was appointed as an Additional Independent Director on the Board of the Bank on 29 April 2014 and was elected as an Independent Director on the Board of the Bank at the Annual General Meeting held on

17.07.2014 for a period of three years. The period of three years will get completed on 16.07.2017.

The Board of Directors has reviewed the declaration made by Ms. Shubhalakshmi Panse, and she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013, and the Board is of opinion that she fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder and is independent of the management.

In terms of section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company but shall be eligible for reappointment on passing of a special resolution by the company for a further period of upto five years. The relevant sections and rules under Banking Regulation Act, 1949 and prescribed by RBI from time to time are applicable to all Directors of the Bank. A special resolution is hence put forth at this Annual General Meeting, for the shareholders approval, for the reappointment of Ms. Shubhalakshmi Panse as an Independent Director on the Board of the Bank for a further period of three (3) years with effect from 17th July 2017 or till the date of her retirement whichever is earlier.

Ms. Shubhalakshmi Panse, aged 63 years is a post graduate in Science and holds D.B.M. (Diploma in Business Management) & MMS (Masters in Management Sciences with specialization in Financial Management) from Pune University. She also holds an M.B.A. (Masters in Business Administration) with specialization in Bank Management from Drexel University, USA. She is also a Certified Associate of Indian Institute of Bankers. Ms. Shubhalakshmi Panse has 38 years experience in the field of Banking, particularly in Corporate Credit appraisal, Credit Monitoring, NPA management, Planning, Project appraisal and also in Economics, Finance and Information Technology. She was the former Chairman & Managing Director of Allahabad Bank. Ms. Panse was also the Executive Director of Vijaya Bank for two and half years, managing all the portfolios of that bank. She was the member of the committee appointed by RBI on Corporate Governance and the Chairman of the committee set up by IBA on Cheque Truncation System- National Archive. She is also the Chairman of the Quality Review Board of Indian Institute of Actuaries appointed by Government of India.

She has also undergone many trainings and courses at various prestigious institutes, like NIBM-Pune, ASCII-Hyderabad, BTC RBI-Mumbai, JNIDBI-Hyderabad, MDI Gurgaon, MEFTEC Bahrain, European School of Management London, UK & Paris France, Bank of International Settlement Basle, Switzerland etc.

Ms. Shubhalakshmi Panse is on the Board of following other Companies as on 31st March 2017:

IL & FS Financial Services Ltd	-	Director
L&T IDPL Ltd	-	Director
Chola MS General Insurance	-	Director
Atul Limited	-	Director
Utkarsh Microfinance Pvt Ltd	-	Director
L & T Infotech Limited	-	Director
Sudarshan Chemical Industries Ltd	-	Director
Catalyst Asset Reconstruction Company	-	Director

She is on the Committee of the Board of following other Companies as on 31st March 2017:

IL & FS Financial Services Ltd	-	Chairperson (CSR Committee), Member (Audit Committee, Nomination & Remuneration Committee)
L&T IDPL Ltd	-	Member (Audit Committee, Nomination & Remuneration Committee)
Chola MS General Insurance	-	Chairman (Nomination and Remuneration Committee) Member (Audit Committee)
Utkarsh Microfinance Pvt Ltd	-	Chairman (Nomination and Remuneration Committee and Corporate Social Responsibility Committee)
Sudarshan Chemical Industries Ltd	-	Member (Risk Management Committee)

Presently she is the Chairperson of Risk Management Committee, member of Audit Committee, Special Committee of the Board for monitoring and follow up of cases of Frauds (SCBF), Information technology & Operations Committee and Committee for Human Resource Policy. She does not hold any shares of the Bank as on 31st March 2017. Ms. Shubhalakshmi Panse attended ten Board meetings in Financial Year 2016-17, out of total eleven Board meetings held during the year. During FY 2016-17, Ms. Shubhalakshmi Panse was paid an amount of ₹ 1,780,000 as sitting fees for attending Board/Committee meetings.

Ms. Shubhalakshmi Panse is not related to any Director or Key Managerial Personnel of the Bank. Based on the performance evaluation of Ms. Shubhalakshmi Panse, done by the Nomination, Remuneration, Ethics and Compensation Committee and Board of the Bank, the performance was found to be good.

Accordingly your Directors recommend for approval, the resolution of the shareholders for reappointing Ms. Shubhalakshmi Panse as an Independent Director of the Bank, for a period of three (3) years with effect from 17th July 2017 or till date of her retirement whichever is earlier.

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution at Item No. 15 of the Notice except Ms. Shubhalakshmi Panse.

#### **Item No.16**

Employee Stock Option Scheme is a way of employee compensation in recognition of their contribution to the overall performance of the Bank. The previous Employee Stock Option Scheme of your Bank were successful in instilling ownership and a sense of belongingness among employees.

Your Bank believes in rewarding its employees including Directors for their continuous hard work, dedication and support, which has led the Bank and its Subsidiaries on the growth path.

As a motivation and to enable alignment of personal goals of the employees with organizational objectives, your Bank intends to implement the Employee Stock Option Scheme termed as the Federal Bank Limited Employee Stock Option Scheme 2017 ("ESOS 2017"), by way of fresh issue of shares of the Bank, with a view to attract and retain key talents by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

Pursuant to provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (SEBI Regulations) the Bank seeks members' approval in respect of ESOS 2017 and grant of Employee Stock Options to the eligible employees/ Directors of the Bank and that of its Subsidiaries as decided by the Board from time to time in due compliance of the SEBI Regulations.

The main features of the ESOS 2017 are as under:

#### **1. Brief Description of ESOS 2017:**

The proposed Scheme ESOS 2017 is intended to reward the eligible employees of the Bank and its Subsidiaries in India and abroad, for their performance and to motivate them to contribute to the growth and profitability of the Bank. Your Bank also intends to use this Scheme to retain talent in the organization as it views Employee Stock Options as instrumental that would enable the employees to share the value they create for the Bank and align individual objectives of employees with objectives of the Bank in the years to come.

#### **2. Total number of Options to be granted:**

The total number of Options would be available for grant to the eligible employees of the Bank and its subsidiaries under ESOS 2017, in one or more tranches exercisable, shall not cumulatively exceed 8,62,02,270 equity shares in the Bank of face value of ₹ 2 each fully paid up not exceeding in the aggregate 5% of the issued, subscribed and paid-up capital of the Bank as on 31 March, 2017.

Vested Options lapsed due to non-exercise and/or unvested Options that get cancelled due to resignation/ termination of the employees or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled Options as per the provisions of ESOS 2017, within overall ceiling.

#### **3. Identification of classes of employees entitled to participate in ESOS 2017:**

The following persons shall be eligible for being granted Options under the ESOS 2017

- i. A permanent employee of the Bank or its Subsidiary Company, working in India or outside of India; or
- ii. A director of the Bank or its Subsidiary Company, whether a whole time director or not but excluding an Independent Director.

The specific Employees to whom the Options would be granted and their eligibility criteria would be determined by the Committee. However, the following persons are not entitled for being granted Options under the ESOS 2017:

- i. An employee of the Bank or its Subsidiary Company who is a Promoter or belongs to the Promoter Group;
- ii. A director of the Bank or its Subsidiary Company who either himself or through his Relative or through any body corporate, directly or indirectly, holds more than 10% (ten percent) of the outstanding Equity Shares of the Bank.

#### **4. Requirements of vesting and period of vesting:**

The Board and Nomination, Ethics and Remuneration and Compensation Committee of the Board ("Committee") may, at its discretion, lay down the vesting criteria of the Options including specifying vesting criteria that is linked to the performance of the Options grantees. Employee is required to be in service with the Bank on the vesting date and must neither be serving his notice for termination of service nor be subject to any disciplinary proceedings pending against him on the vesting date. The vesting period shall be determined by the Committee on the date the Options are granted and shall be mentioned in the grant letter. The Options granted under the ESOS 2017 would vest after the expiry of one year from the date of grant of the Options.

#### **5. Maximum period within which the Options shall be vested:**

The vesting period shall be determined by the Committee on the date the Options are granted and shall be mentioned in the Grant Letter. The Committee shall have full power and authority to alter the vesting period and the exercise period.

#### **6. Exercise price or pricing formula:**

The exercise price shall be determined by the Committee on the date the Options are granted subject to compliance with the provisions of the SEBI Regulations. The exercise price shall be mentioned in the Grant Letter.

The Committee may re-price the Options which are not exercised if Options are rendered unattractive due to fall in the price of the Share in the market, subject to the approval of the shareholders of the Bank. Provided that such re-pricing shall not be detrimental to the interest of the Option grantees and provided that such re-pricing is in conformity with the applicable laws.

#### **7. Exercise period and the process of Exercise:**

The Exercise Period would commence from the date of Vesting and will expire on the completion of five years from the date of Vesting of Options. The equity shares arising out of exercise of vested Options would not be subject to any lock-in period after such exercise.

The Options granted under the ESOS 2017 would be exercisable by the employee by making an application to the designated person in the Bank, in such manner, on execution of such documents and on such terms as may be decided by the Committee. The Options will lapse if not exercised within the specified exercise period and will be considered as Options that have not been granted. Such Options can be re-granted to employees in the future.

#### **8. Minimum Lock-In prior to Vesting**

There shall be a minimum lock-in period of one year between the date of grant of the Options and the vesting of the Options. The equity shares arising out of exercise of vested Options would not be subject to any lock-in period after such exercise.

#### **9. Appraisal process for determining the eligibility of employees under ESOS 2017:**

The appraisal process for determining the eligibility of the employees will be decided by the Committee from time to time. The employees would be granted Options under the ESOS 2017 based on various parameters such as scale, designation, work performance, grades, period of service, annual fixed pay, Bank's performance and such other parameters as may be decided by the Committee from time to time in its sole discretion;

#### **10. Maximum number of Options to be issued per employee and in aggregate:**

The grant of Options per employee or Director of the Bank (including the Managing Director & CEO) shall be up to 1% of the paid-up equity share capital (excluding outstanding warrants and conversions in a financial year).

#### **11. The conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct:**

The Committee shall have full power and authority to formulate the detailed terms and conditions under which Option vested in employees may lapse in case of termination of employment for Cause or misconduct;

#### **12. The specified time period within which the employee shall exercise the vested Options in the event of a proposed termination of employment or resignation of employee**

The Clause 12.3 of the Scheme details out the manner in which the Options would be dealt in case of Employees' separation under different circumstances. In case of resignation, the employee will be having all the rights to exercise vested Options similar to normal cases. In other cases, the Committee may, at its sole discretion would decide the treatment of vested Options and such decision shall be final and binding.

### **13. Maximum Quantum of benefits to be provided per employee under the ESOS 2017**

The rights of a shareholder shall be conferred upon the employee only on a valid exercise of the Options and resultant transfer/ issue of shares. Upon allotment of the shares, the employees shall become members of the Bank and shall be entitled to all rights of a member including voting rights, receipt of dividend, etc.

If the Bank issues bonus or right shares, the employee will not be eligible for the bonus or right shares in the capacity of the holder of the Options, except that the entitlement to the number of Options will be adjusted in terms of provisions under ESOS 2017. Only if the Options are vested and exercised and the employee is a valid holder of the equity shares of the Bank, the employee would be entitled for the bonus or rights equity shares of the Bank.

### **14. Source of Shares:**

The Scheme contemplates issue of Shares by the Bank.

### **15. The amount of loan provided for implementation of ESOS 2017 by the Bank to the Trust, its tenure, utilisation, repayment terms etc.**

The Bank has not constituted a Trust to implement ESOS 2017 and the ESOS 2017 will be directly implemented by the Bank and its Board.

### **16. Maximum percentage of secondary acquisition (subject to limits specified under the Regulations) that can be made by the Trust for the purchase of the scheme**

Not applicable as the Bank is implementing ESOS 2017.

### **17. Accounting and Disclosure Policies:**

The Bank shall follow the 'Guidance Note on Accounting for Employee Share-based Payments' and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.

### **18. Method of Option Valuation:**

The Bank shall use Intrinsic Value Method for valuation of the options granted under the ESOS.

Consent of the members is being sought pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and rules framed there under and as per Regulation 6 of the SEBI Regulations.

As per SEBI Regulations, a separate resolution is required to be passed if the benefits of employee stock option scheme(s) are to be extended to employees of holding or subsidiary companies. Thus, separate resolution under Item No.1 (b) is being proposed to cover those employees, and/or such other persons as may be permitted from time to time, under prevailing laws, rules and regulations, and/or amendments thereto from time to time.

None of the Directors, Key Managerial Personnel of the Bank or their relatives are in any way, concerned or interested in the resolution except to the extent of the options that may be granted to them under the ESOS 2017.

### **Item No. 17**

The Board of the Bank had in its meeting dated 07th June 2017, approved the amendment to Article 80 of the Articles of the Bank in order to provide an enabling provision in the Articles, that the common seal of the Bank can be affixed as decided by the Board. The amended Articles as proposed will enable the Board to authorize any official of the Bank or any attorney for the purpose of affixing of common seal of the Bank in his presence.

At present Article 80 necessitates that if common seal of the Bank is affixed to any instrument or deed it should be affixed in the presence of at least two directors and of the Company Secretary of the Bank and shall sign every instrument to which the seal of the Bank is so affixed in their presence. The proposed amendment to the Article will enable the Board to authorize any attorney or official of the Bank for affixation of common seal in their presence. The proposed amendment is in line with the Companies Act, 2013, and other regulatory requirements and the same is now proposed for shareholders approval.

Accordingly, your Directors recommend the passing of Resolution No 17, for amendment of Article 80 of the Article of Association of the Bank.

None of the Directors, Key Managerial Personnel of the Bank or their relatives are concerned or interested in the resolution.

### **Item No.18**

In terms of Section 42 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, a Company can make private placement of securities subject to the condition that the proposed offer of securities or

invitation to subscribe securities has been previously approved by the Members of the Company, by a special resolution, for each of the offers or invitations/subscriptions. In case of offer or invitation for subscription of non-convertible debentures, it shall be sufficient if the Company passes a special resolution only once in a year for all the offers or invitation for subscription of such debentures during the year.

Accordingly, the Bank had obtained the approval of Members at the last AGM held on August 11 2016, for borrowing/raising funds by issue of debt securities pursuant to the relevant provisions of the applicable circulars or guidelines issued by RBI, upto ₹ 4,000 crore (Rupees Four Thousand Crore Only), in one or more tranches. There was no requirement for the Bank to raise any amount by way of issue of Bonds till March 31, 2017. The current approval of Members is valid upto August 10, 2017.

In order to facilitate the raising of funds by way of issue of debt securities, it would be necessary to have the fresh approval of Members in place. Accordingly, the Board of Directors, after assessing its fund requirements, has proposed to obtain the consent of the Members of the Bank for borrowing/raising funds by issue of debt securities including but not limited to Tier II bonds, Long Term Bonds (Infrastructure & Affordable Housing), Masala Bonds, Green bonds, non-convertible debentures etc., pursuant to the relevant provisions of the applicable circulars or guidelines issued by RBI, upto ₹ 4000 Crore (Rupees Four Thousand Crore only), in one or more tranches and under one or more shelf disclosure documents and/or one or more letters of offer, in domestic market and/or overseas market, as per the structure and within the limits permitted by RBI and other regulatory authorities, to eligible investors on private placement basis, on such terms and conditions including the price, coupon, premium / discount, tenor etc., as the Board of Directors or any Committee(s) thereof or such other persons as may be authorized by the Board, from time to time, determine and consider proper and appropriate for the Bank. This would form part of the overall borrowing limits as may be approved by the Members under Section 180(1)(c) of the Companies Act, 2013.

The Resolution under Section 42 of Companies Act, 2013 shall be valid for a period of one year from the date of passing of this resolution. The pricing of the NCDs / Tier II bonds/ Long Term Bonds (Infrastructure & Affordable Housing)/ Masala Bonds/ Green bonds etc. would be in accordance with the applicable statutory guidelines, for cash, either at par or premium or at a discount to face value depending upon the prevailing market conditions.

Accordingly, the approval of Members is being sought by way of special resolution as set out at Item No. 18 of this Notice for borrowing/raising funds in Indian currency by issue of debt securities on private placement basis.

None of the directors/key managerial personnel of the Bank or their relatives are concerned or interested in the resolution.

#### **Item No. 19**

In terms of Section 180 (1)(c) of the Companies Act, 2013 the Board shall not except with the consent of the shareholders in General Meeting, borrow moneys in excess of the Bank's Paid Up capital and Free Reserves. At the AGM held on July 17, 2014 , the shareholders authorised the Board to borrow moneys up to ₹ 3000 Crore over and above the Paid up Capital and Free Reserves of the Bank, on behalf of the Bank, with or without securities.

In view of the fact that the total business of the Bank has crossed ₹ 1,70,000 Crore as on 31.03.2017 from about ₹1,00,000 Crore in 2014, which is an increase of 70% and also considering the projected growth in business and fund requirements in the coming years and in order to avail the benefit of borrowings made outside India, the Boards borrowing authority needs to be enhanced. In anticipation of the near-term requirements, a fresh limit of ₹ 7000 Crore over and above the Paid up Capital and Free Reserves of the Bank is suggested for shareholders approval.

Accordingly, your Directors recommend the adoption of the Resolutions No. 19 of the Notice which relates to the enhancement of Borrowing powers.

None of the Directors, Key Managerial Personnel or relatives thereof are, in any way, concerned or interested in this resolution.

Relevant documents referred to in the accompanying Notice for items 09, 16, 17 and other items as may be necessary, are open for inspection and copies thereof shall also be made available for inspection in physical or electronic form to the Members of the Bank at the Registered Office / Corporate Office of the Bank on all working days (Monday to Saturday) between 10.00 A.M. to 5 P.M from 04th July 2017 up to the date of the Annual General Meeting.

**By order of the Board of Directors**

**Place: Aluva  
Dated: 07 June, 2017**

**Girish Kumar Ganapathy  
Company Secretary**



## **FOR THE ATTENTION OF SHAREHOLDERS**

### **Proxy Form and Attendance Slip**

A blank proxy form with an attendance slip is sent along with the Notice. Shareholders are requested to detach the attendance slip and produce it for verification at the venue of the meeting.

### **Queries at the AGM**

Shareholders wishing to make queries at the AGM on the published accounts, Directors' Report or any aspect of the working of the Bank may write to:

The Company Secretary  
The Federal Bank Limited  
Federal Towers, P.B. No.103, Aluva – 683 101

so as to reach him latest by 04th July 2017 specifying the point/s requiring clarification.

### **Correspondence**

All correspondence relating to shares and dividend should be addressed to the Bank's Registrars and Share Transfer Agents, viz:

Integrated Registry Management Services Private Limited.,  
2nd Floor, Kences Towers,1, Ramakrishna Street,  
North Usman Road, T Nagar, Chennai – 600 017.  
Phone No: (044) 28140801, 28140802 Fax: 28142479  
email : csdstd@integratedindia.in

### **Unclaimed Dividends**

Members wishing to claim unclaimed dividends are requested to correspond with the Company Secretary of the Bank, at the Bank's registered office. Members are requested to note that dividends which are not claimed within seven years from the date of transfer to the Bank's Unpaid Dividend Account, will, as per the provisions of Section 124 of the Companies Act, 2013 and rules made thereunder, be transferred to the Investor Education and Protection Fund. The Bank has uploaded the details of unpaid and unclaimed amounts lying with the Bank on the website of the Bank ([www.federalbank.co.in](http://www.federalbank.co.in)) Shareholders who have not encashed their dividend warrants for any of the years 2009-10 to 2015-16 are requested to get the warrants revalidated by the Bank, since the outstanding dividend will be transferred to Government of India.

### **Change of Address and information on Bank mandate**

Where shares are held in the physical mode, change in the shareholder's address(along with proof of address) may be notified to the Registrars and Share Transfer Agents, at the address noted above, by a separate communication showing share folio number. Holders of share in the demat mode may send such requests to their depositories concerned including changes, if any, in the mandate for issue of dividend.

### **Voting through electronic means.**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44(1) of the Listing Obligation and Disclosure Requirements)Regulation 2015 , the Bank is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 11th July 2017 (9:00 am) and ends on 13th July 2017 (5:00 pm). During this period members of the Bank, holding shares either in physical form or in dematerialized form, as on the cut-off date of 07th July 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to

change it subsequently. A person who is not a Member as on the cut off date should treat this Notice for information purposes only.

- V. The process and manner for remote e-voting are as under:
- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
- (i) Open email and open PDF file viz; "FBL.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
  - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
  - (iii) Click on Shareholder - Login
  - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
  - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - (vii) Select "EVEN" of "Federal Bank".
  - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
  - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
  - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [sivarkn@svjs.in](mailto:sivarkn@svjs.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM  
EVEN (Remote e-voting Event Number)      USER ID      PASSWORD/PIN
  - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsd.com](http://www.evoting.nsd.com) or call toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 07th July 2017.
- X. Any person, who acquires shares of the Bank and become member of the Bank after dispatch of the notice and holding shares as of the cut-off date i.e. 07th July 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to [csdstd@integratedindia.in](mailto:csdstd@integratedindia.in)
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through polling paper.
- XIII. Mr. P. Sivakumar, Managing Partner, SVJS & Associates, Cochin, Company Secretary in Practice, has been appointed as the Scrutinizer for providing facility to the members of the Bank to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Bank and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.federalbank.co.in](http://www.federalbank.co.in) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai and National Stock Exchange Limited, Mumbai.

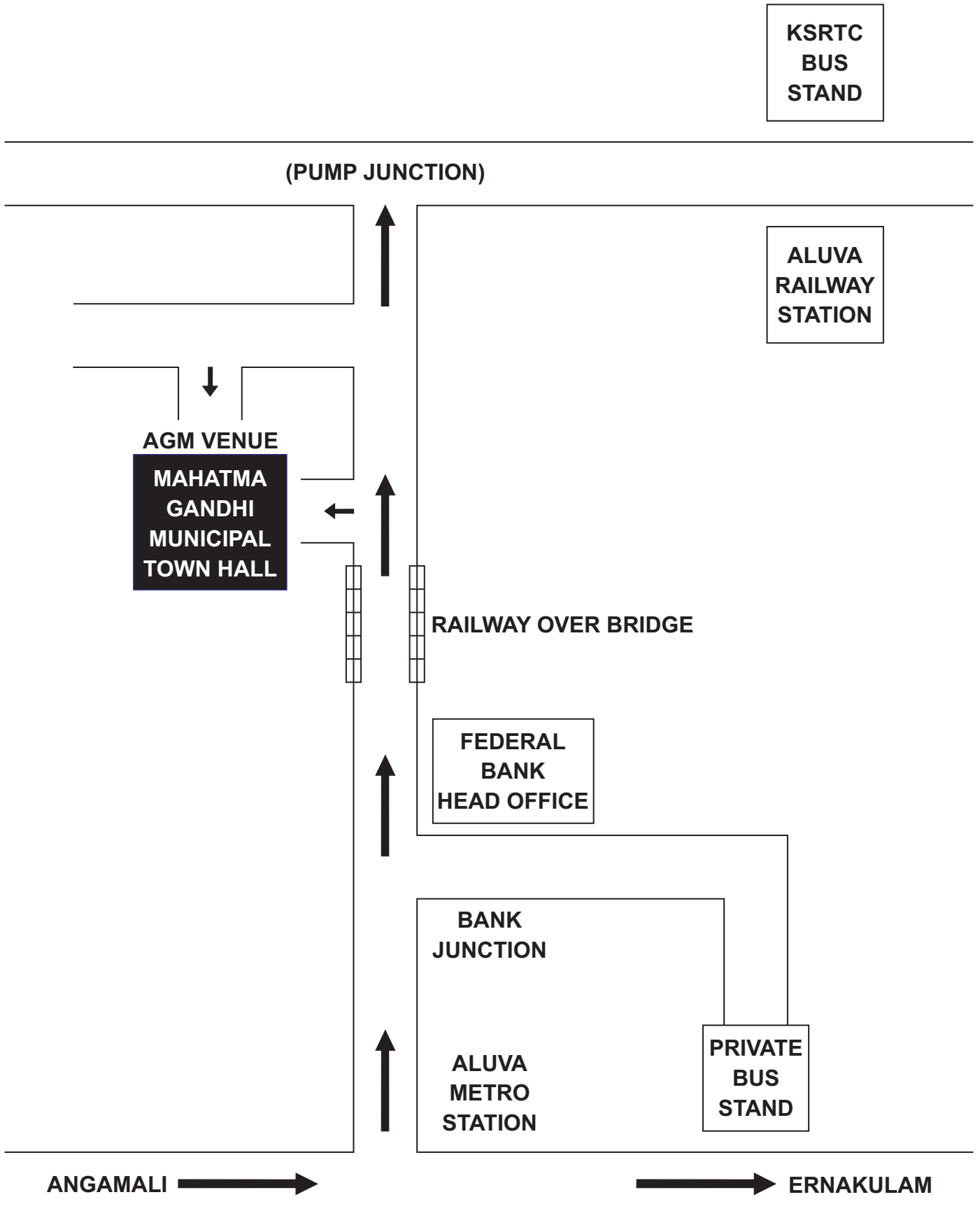
**By order of the Board of Directors**

**Place: Aluva**  
**Dated: 07 June, 2017**

**Girish Kumar Ganapathy**  
**Company Secretary**

# ROUTE MAP

Venue of the 86<sup>th</sup> Annual General Meeting of the Federal Bank Ltd  
to be held on Friday July 14, 2017 at Mahatma Gandhi Municipal Town Hall, Aluva.



**Notes:**

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**ATTENDANCE SLIP**

**86<sup>TH</sup> ANNUAL GENERAL MEETING - JULY 14, 2017**

I certify that I am a member / proxy for the member of the company.

I hereby record my presence at the 86<sup>th</sup> Annual General Meeting of the Bank, at Mahatma Gandhi Municipal Town Hall, Aluva - 683 101 on Friday, July 14, 2017 at 10.00 am.

\_\_\_\_\_  
Name of the Member / Proxy (In Block Letters)

\_\_\_\_\_  
Signature of the Member / Proxy

**Note:** Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.

**ELECTRONIC VOTING PARTICULARS**

EVEN (Electronic Voting Event Number)	USER ID	PASSWORD

**PROXY FORM** (Form No. MGT-11)

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s): \_\_\_\_\_ Registered address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_ Folio No/ DP ID No. & Client Id No.: \_\_\_\_\_  
 I/We, being the member (s) of ..... shares of the above named Bank, hereby appoint  
 1. Name:..... 2. Name:..... 3. Name:.....  
 Address:..... Address:..... Address:.....  
 E-mail Id:..... E-mail Id:..... E-mail Id:.....  
 Signature:....., or failing him/her Signature:....., or failing him/her Signature:.....  
 as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 86<sup>th</sup> Annual General Meeting of the Bank, to be held on Friday, July 14, 2017 at 10.00 A.M. at Mahatma Gandhi Municipal Town Hall, Aluva - 683 101 and at any adjournment thereof in respect of such resolutions as are indicated below:

No.	Resolution	Optional*	
		For	Against
<b>Ordinary Business</b>			
1.	a) Adoption of audited financial statement for the year ended March 31, 2017 b) Adoption of audited consolidated financial statement of the Bank including audited consolidated Balance Sheet and Profit and Loss for the year ended March 31, 2017		
2.	Declaration of Dividend		
3.	Re-appointment of Retiring Director, Mr. Ashutosh Khajuria		
4.	Appointment of Joint Central Statutory Auditors, M/s. B S R & Co. LLP, Chartered Accountants, Mumbai together with M/s M M Nissim & Co, Chartered Accountants, Mumbai, as Auditors and fixation of remuneration thereof		
<b>Special Business(Ordinary Resolution)</b>			
5.	Appoint and to fix the remuneration of branch auditors in consultation with the Central Statutory Auditors for the purpose		
6.	Approval for re-appointment of Mr. Shyam Srinivasan (DIN- 02274773) as Managing Director & Chief Executive Officer of the Bank as approved by RBI and taking on record the approval accorded by RBI for payment of remuneration to Mr. Shyam Srinivasan, MD & CEO of the Bank		
7.	Taking on record the approval accorded by RBI for grant of options under ESOS to Mr. Ganesh Sankaran, Executive Director of the Bank		
8.	Taking on record the approval accorded by RBI to pay honorarium of ₹1,25,000/- per month (₹15,00,000/- per annum) to Mr. K M Chandrasekhar, Chairman of the Bank.		
9.	Payment of profit related commission to Non-Executive/Independent Directors of the Bank other than Part Time Chairman		
<b>Special Business (Special Resolution)</b>			
10.	Reappointment of Mr. K M Chandrasekhar as an Independent Director of the Bank		
11.	Reappointment of Mr. Nilesh S Vikamsey as an Independent Director of the Bank		
12.	Reappointment of Mr. Dilip G Sadarangani as an Independent Director of the Bank		
13.	Reappointment of Mr. Harish H Engineer as an Independent Director of the Bank		
14.	Reappointment of Ms. Grace E Koshie as an Independent Director of the Bank		
15.	Reappointment of Ms. Shubhalakshmi Panse as an Independent Director of the Bank		
16.	To introduce and implement a scheme for grant of stock options - "ESOS 2017"		
17.	Approval for amendment of Article 80 of Articles of Association of the Bank		
18.	Approval for Raising of Funds through Issuance of Bonds		
19.	Approval for increase of the Borrowing power of the Bank by ₹ 7000 Crore over and above the Paid up Capital and free reserves of the Bank pursuant to section 180 (1) (c) of the Companies Act, 2013		

Signed this ..... day of ..... 2017.

\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of Proxy holder(s)

Affix Re 1/-  
Revenue  
Stamp  
Here

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Bank, not less than 48 hours before the commencement of the Meeting.

\* it is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.