



THE FEDERAL BANK LIMITED

CIN: L65191KL1931PLC000368

Federal Towers, P O Box No.103, Aluva, Kerala - 683 101, India.

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NOTICE TO SHAREHOLDERS

Notice is hereby given that Ninetieth Annual General Meeting (AGM) of the members of The Federal Bank Limited will be held on Friday, July 09, 2021 at 11 a.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESSES

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, 2021 and the Reports of the Board of Directors and the Auditors thereon.
 - 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, 2021 and the Report of the Auditors thereon.
2. To declare a final dividend of Rs. 0.70 per equity share of Rs.2/- each for the Financial Year ended March 31, 2021.
3. To appoint a Director in place of Ms. Shalini Warriar (DIN: 08257526), who retires by rotation, and being eligible, offers herself for re-appointment.

SPECIAL BUSINESSES

4. Revision of tenure of appointment of M/s. Varma and Varma, one of the Joint Statutory Central Auditors

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

"RESOLVED THAT, pursuant to the provisions of Sections 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 and the relevant Rules there under and pursuant to Section 30 of the Banking Regulation Act, 1949 and guidelines issued by the Reserve Bank of India (RBI) including any amendments, modifications, variations or re-enactments thereof and subject to approval of the RBI in this regard, approval of the Members of the Bank be and is hereby accorded for the revision of tenure of appointment of M/s. Varma and Varma, one of the Joint Statutory Central Auditors, as three years with effect from FY 2020-21 on such terms and conditions, including remuneration approved by the Shareholders in their Annual General Meeting dated July 16, 2020 and for such remuneration and expenses thereafter as may be mutually agreed between the Bank and the Joint Statutory Central Auditors and as may be further approved by the Board from time to time, with power to the Board, including relevant Committee(s) thereof, to alter and vary the terms and conditions of appointment, etc., including by reason of necessity on account of conditions as may be stipulated by the RBI and / or any other authority, in such manner and to such extent as may be mutually agreed with the Joint Statutory Central Auditors."

5. Appoint and to fix the remuneration of branch auditors in consultation with the Statutory Central Auditors for the purpose.

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

"RESOLVED THAT pursuant to the provisions of Sections 139 and 143(8) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any modification / amendment thereof 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 Reserve Bank of India, including any statutory modification(s) or re-enactment(s) thereof, the Board of Directors be and is hereby authorized to arrange for the audit of the Bank's branches for the financial year 2021-22 and to appoint and fix the remuneration of branch auditors in consultation with the Joint Statutory Central Auditors".

6. Appointment of Ms. Varsha Purandare (DIN: 05288076) as an Independent Director of the Bank

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

RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Section 10A and other 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, Ms. Varsha Purandare (DIN: 05288076), who was appointed as an Additional Independent Director by the Board of Directors of the Bank, with effect from September 08, 2020, in terms of Section 161(1) of the Act and Articles of Association of the Bank and whose term of office expires at the Annual General Meeting and who has submitted a declaration that she meets the criteria for independence as provided in the Act and Listing Regulations and in respect of whom the Bank has received a notice in writing from a member proposing her candidature for the office of Director in terms of Section 160 of the Act, be and is hereby appointed as an Independent Director of the Bank to hold office for a term of five consecutive years with effect from September 08, 2020, not liable to retire by rotation.

7. Re-appointment of Mr. Shyam Srinivasan (DIN: 02274773) as Managing Director & Chief Executive Officer of the Bank.

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

"RESOLVED THAT pursuant to the provisions of Section 152, 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as 'the Act') and the relevant Rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), Section 10B, 35B and other 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 ('RBI') and the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Articles of Association of the Bank and the approval granted by the RBI vide letter DBR. Appt. No.87/ 08.38.001/2020-21 dated July 16, 2020, Mr. Shyam Srinivasan (DIN: 02274773) be and is hereby re-appointed as Managing Director & Chief Executive Officer of the Bank, for a period of one year with effect from September 23, 2020 to September 22, 2021 on such remuneration, terms and conditions as detailed in the explanatory statement to this notice.

8. Re-appointment of Mr. Ashutosh Khajuria (DIN: 05154975) as Executive Director of the Bank

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

"RESOLVED THAT pursuant to the provisions of Section 152, 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as 'the Act') and the relevant Rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), Section 10A, 35B and other 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 ('RBI') and the applicable Regulations under the Securities and Exchange Board of India

(Listing Obligations and Disclosure Requirements) Regulations, 2015, Articles of Association of the Bank and the approval granted by the RBI vide its letter no. DOR.GCA-CB.No.2145/08.38.001/2020-21 dated January 01, 2021, Mr. Ashutosh Khajuria (DIN: 05154975) be and is hereby re-appointed as an Executive Director of the Bank for the period from April 01, 2021 to April 30, 2022 and on such remuneration, terms and conditions which is subject to approval of RBI.

“RESOLVED FURTHER THAT in terms of Section 35B, other applicable provisions of the Banking Regulation Act, 1949 and applicable provisions of the Companies Act, 2013 and as per the approval granted by the RBI vide its letter no DOR.GCA-CB.No. 2141/08.38.001/2020-21 dated January 01, 2021, the payment of performance linked incentives of ₹ 13,00,000/- (Rupees Thirteen lakh only) to Mr. Ashutosh Khajuria for the performance period 2019-20 be and is hereby approved.”

9. Payment of Performance Linked Incentive to Ms. Shalini Warriar (DIN: 08257526), Executive Director of the Bank

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

“RESOLVED THAT in terms of Section 35B, other applicable provisions of the Banking Regulation Act, 1949 and applicable provisions of the Companies Act, 2013 and as per the approval granted by the RBI vide its letter no DOR.GCA-CB.No. 2141/08.38.001/2020-21 dated January 01, 2021, the payment of performance linked incentives of ₹ 11,00,000/- (Rupees Eleven Lakh only) to Ms. Shalini Warriar for the performance period 2019-20 be and is hereby approved.”

10. Re-appointment of Mr. A P Hota (DIN- 02593219) as an Independent Director of the Bank

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant Rules made there under (the “Act”), the applicable provisions of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “SEBI Listing Regulations”), Section 10A(2A) and other relevant provisions of the Banking Regulation Act, 1949, and the rules, guidelines and circulars issued by the Reserve Bank of India (the “RBI”), in this regard, from time to time and any other applicable laws (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereto, for the time being in force), the provisions of the Articles of Association of The Federal Bank Limited (the “Bank”) and pursuant to the recommendation of the Nomination, Remuneration, Ethics and Compensation Committee and the Board of Directors of the Bank, Mr. A P Hota (DIN- 02593219), whose first term as an Independent Director of the Bank expires on July 09, 2021 and who meets the criteria of independence as prescribed under the provisions of Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and who is eligible to be re-appointed as an Independent Director of the Bank, and in respect of whom the Bank has received a notice in writing from a member proposing his candidature for the office of Director in terms of Section 160 of the Act be and is hereby re-appointed as an Independent Director of the Bank for his second term, with effect from July 10, 2021 upto January 14, 2026 (both days inclusive) on the existing terms and conditions of appointment and who shall not be liable to retire by rotation, in terms of Section 149(13) of the Act.”

11. Raising of Tier I Capital of the Bank through Issuance of Securities

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 23, 41, 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, the Companies (Share Capital and Debentures) Rules, 2014, as amended and other applicable rules made there under, including any statutory modification(s) or re-enactment(s) thereof for the time being in force

(the “Act”), the Banking Regulation Act, 1949, as amended, the Foreign Exchange Management Act, 1999, as amended, Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 as amended, and the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended, the Depository Receipts Scheme, 2014, the current Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India and amended from time to time, the Master Directions – Issue and Pricing of Shares by Private Sector Banks, Directions, 2016, the Master Directions – Ownership in Private Sector Banks, Directions, 2016, the Rules, Regulations, Guidelines, Notifications and Circulars, if any, prescribed by the Government of India, Reserve Bank of India (the “RBI”), the Registrar of Companies, Kerala, the stock exchanges where the equity shares of The Federal Bank Limited (the “Bank”) are listed, the Securities and Exchange Board of India (the “SEBI”) including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “ICDR Regulations”) or any other competent authority, whether in India or abroad, from time to time, to the extent applicable including enabling provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”), and in accordance with the provisions of the Memorandum and Articles of Association of the Bank and subject to approvals, consents, permissions and sanctions as might be required from various regulatory authorities (including those noted above) and subject to such conditions as might be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to by, the Board of Directors of the Bank (hereinafter referred to as the “Board”, which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), the consent, authority and approval of the shareholders of the Bank, be and is hereby accorded to the Board to create, offer, issue and allot (including with the reservation on firm allotment and/or competitive basis of such part of the issue and for such categories of persons as may be permitted by law then applicable) from time to time in one or more tranches, with or without green shoe option, in the course of domestic and/ or international offering(s) in one or more foreign markets, by way of a rights issue to the existing members of the Bank (whether resident or non-resident), public issue, preferential issue, qualified institutions placement (“QIP”), private placement/ private placement in public equity or a combination thereof of equity shares of Rs 2/- each (the “Equity Shares”) or through an issuance of Global Depository Receipts (“GDRs”), American Depository Receipts (“ADRs”), Foreign Currency Convertible Bonds (“FCCBs”), fully convertible debentures/partly convertible debentures, and/or any other financial instruments or securities convertible into Equity Shares with or without detachable or non-detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, in registered or bearer form, whether rupee denominated or denominated in foreign currency (hereinafter collectively referred to as the “Securities”) or any combination of Securities, to all eligible investors, including residents and/or non-residents and/or institutions/banks and/or incorporated bodies and/or individuals and/or trustees and/or stabilizing agent or otherwise, Qualified Institutional Buyers as defined under the ICDR Regulations (“QIBs”), foreign investors, Foreign Institutional Investors (“FIIs”), Foreign Portfolio Investors (“FPIs”), Foreign Corporate Bodies (FCBs)/Companies/Mutual Funds/Pension Funds/Venture Capital Funds/Banks, to all or any other category of investors who are authorized to invest in the Securities of the Bank as per extant regulations/guidelines or any combination of the above as may be deemed appropriate by the Board in its absolute discretion and whether or not such investors are members of the Bank (collectively the “Investors”), through one or more prospectus and/or letter of offer or circular or placement document, on such terms and conditions considering the prevailing market conditions and other relevant factors wherever necessary, for an amount not exceeding in the aggregate ₹ 4000 Crore (Rupees Four Thousand Crore only) or its equivalent amount in such foreign currencies as may be necessary, inclusive of any premium and green shoe option attached thereto, at such price or prices, (whether at prevailing market price(s) or at permissible discount or premium to market price(s) in terms of applicable regulations) and on such terms and conditions at the Board’s absolute discretion including the discretion to determine the categories of Investors, considering the prevailing market conditions and other relevant factors wherever necessary, to whom the offer, issue and allotment of Securities shall be made to the exclusion of others, in such manner, including allotment to stabilizing agent in terms of green shoe option, if any, exercised by the Bank, and where necessary in consultation with the book running lead managers and/or underwriters and/or stabilizing agent and/ or other advisors or otherwise on

such terms and conditions, including issue of Securities as fully or partly paid, making of calls and manner of appropriation of application money or call money, in respect of different class(es) of investor(s) and/ or in respect of different Securities, deciding of other terms and condition like number of securities to be issued, face value, number of equity shares to be allotted on conversion/redemption/extinguishment of debt(s), rights attached to the warrants, period of conversion, fixing of record date or book closure terms if any, as the Board may in its absolute discretion decide, in each case subject to applicable law.”

“RESOLVED FURTHER THAT in case of issue and allotment of Securities by way of QIP in terms of Chapter VI of the ICDR Regulations (hereinafter referred to as “Eligible Securities” within the meaning of the ICDR Regulations):

- i. the allotment of the Eligible Securities, or any combination of the Eligible Securities as may be decided by the Board, shall be completed within 12 months from the date of this resolution or such other time as may be allowed under the ICDR Regulations;
- ii. the Equity Shares issued shall rank pari passu in all respects including entitlement to dividend with the existing Equity Shares of the Bank in all respects as may be provided under the terms of issue and in accordance with the placement document(s);
- iii. in the event Equity Shares are issued, the relevant date for the purpose of pricing of the Equity Shares to be issued, shall be the date of the meeting in which the Board or Committee of Directors duly authorized by the Board decides to open the proposed issue of Equity Shares, subsequent to the receipt of members’ approval in terms of provisions of Companies Act, 2013 and other applicable laws, rules, regulations and guidelines in relation to the proposed issue of the Equity Shares; in the event that Eligible Securities issued are eligible convertible securities, the relevant date for the purpose of pricing of the convertible securities to be issued, shall be the date of the meeting in which the Board or Committee of Directors duly authorized by the Board decides to open the proposed issue;
- iv. Any issue of Eligible Securities made by way of a QIP shall be at such price which is not less than the price determined in accordance with the pricing formula provided under Chapter VI of the ICDR Regulations (the “QIP Floor Price”). The Board may, however, at its absolute discretion, issue Equity Shares at a discount of not more than five percent or such other discount as may be permitted under applicable regulations to the QIP Floor Price;
- v. The Equity Shares shall not be eligible to be sold for a period of 1 year from the date of allotment, except on a recognized stock exchange or except as may be permitted from time to time by the ICDR Regulations.
- vi. The total amount raised in such manner through the QIP, together with other QIP(s) made in the same financial year, if any, should not exceed five times the net worth of the Bank as per the audited Balance Sheet of the previous financial year.”

“RESOLVED FURTHER THAT in the event the Securities are proposed to be issued as ADRs or GDRs, the pricing of the Securities and the relevant date, if any, for the purpose of pricing of the Securities to be issued pursuant to such issue shall be determined in accordance with the provisions of applicable law including the provisions of the Depository Receipts Scheme, 2014 (the “2014 Scheme”), the Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004 and such other notifications, clarifications, circulars, guidelines, rules and regulations issued by relevant authorities (in each case including any statutory modifications, amendments or re-enactment(s) thereof).”

“RESOLVED FURTHER THAT in the event the Securities are proposed to be issued as FCCBs, the pricing of the Securities and the relevant date, if any, shall be determined in accordance with the provisions of the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 issued by the Ministry of Finance and such other notifications, clarifications, circulars, guidelines, rules and regulations issued by relevant authorities (in each case including any statutory modifications, amendments or re-enactment(s) thereof).”

“RESOLVED FURTHER THAT the issue to the holders of the Securities, which are convertible into or exchangeable with Equity Shares at a later date shall be, inter alia, subject to the following terms and conditions:

(a) in the event the Bank is making a bonus issue by way of capitalization of its profits or reserves prior to the allotment of the Equity Shares, the number of Equity Shares to be allotted shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced pro tanto;

(b) in the event of the Bank making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares will stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which they are offered to the existing members;

(c) in the event of merger, amalgamation, takeover or any other re-organization or restructuring or any such corporate action, the number of Equity Shares, the price and the time period as aforesaid shall be suitably adjusted; and

(d) in the event of consolidation and/or division of outstanding Equity Shares into smaller number of Equity Shares (including by way of stock split) or reclassification of the Securities into other securities and/or involvement in such other event or circumstances which in the opinion of concerned stock exchange requires such adjustments, necessary adjustments will be made.”

“RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of dividend, issue of additional Equity Shares, variation of the conversion price of the Securities or period of conversion of Securities into Equity Shares during the duration of the Securities and the Board be and is hereby authorized, in its absolute discretion, in such manner as it may deem fit, to dispose-off such of the Securities that are not subscribed.”

“RESOLVED FURTHER THAT in pursuance of the aforesaid resolutions the Equity Shares that may be issued by the Company (including issuance of the Equity Shares pursuant to conversion of any Securities, as the case may be in accordance with the terms of the offering) shall rank pari passu with the existing Equity Shares of the Company in all respects.”

“RESOLVED FURTHER THAT, for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board be and is hereby authorized on behalf of the Bank to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of the nature of the issuance, terms and conditions for issuance of Securities including the number of Securities that may be offered in domestic and international markets and proportion thereof, issue price and discounts as permitted under applicable law, premium amount on issue/conversion of the Securities, if any, rate of interest, timing for issuance of such Securities and shall be entitled to vary, modify or alter any of the terms and conditions as it may deem expedient, entering into and executing arrangements for managing, underwriting, marketing, listing, trading and entering into and executing arrangements with Merchant Bankers, Lead managers, legal advisors, depository, custodian, registrar, stabilizing agent, paying and conversion agent, trustee, escrow agent and executing other agreements, including any amendments or supplements thereto, as necessary or appropriate and to finalize, approve and issue any document(s) or agreements, including but not limited to prospectus and/or letter of offer and/or circular or placement document, registration statement, and filing of such documents (in draft or final form) with any Indian or foreign regulatory authority or stock exchanges, including RBI and sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Bank to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and take all steps which are incidental and ancillary in this connection, including in relation to utilization of the issue proceeds, as it may in its absolute discretion deem fit without being required to seek further consent or approval of the

members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution and all actions taken by the Board or any duly authorised committee constituted by the Board to exercise its powers, in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.”

“RESOLVED FURTHER THAT, without prejudice to the generality of the above, for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board be and is hereby authorized on behalf of the Bank to seek listing of any or all of such Securities on one or more Stock Exchanges in India or outside India and the listing of Equity Shares underlying the ADRs and/or GDRs on the Stock Exchanges in India.”

“RESOLVED FURTHER THAT

- i. The offer, issue and allotment of the aforesaid Equity Shares shall be made at such time or times as the Board may in its absolute discretion decide, subject, however, to applicable guidelines, notifications, rules and regulations;
- ii. The Equity Shares to be issued by the Bank as stated aforesaid shall rank pari-passu with all existing Equity Shares of the Bank;
- iii. The Board be and is hereby authorized to decide and approve the other terms and conditions of the issue of the above mentioned Equity Shares and also shall be entitled to vary, modify or alter any of the terms and conditions, including size of the issue(within the limit approved by the shareholders), as it may deem expedient;
- iv. The Board be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to finalization and approval of the preliminary as well as final offer document(s), placement document or offering circular, as the case may be, execution of various transaction documents, as it may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and take all steps which are incidental and ancillary in this connection, including in relation to utilization of the issue proceeds, as it may in its absolute discretion deem fit without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any its powers herein conferred by this resolution to any Committee of Director or, subject to applicable law, any Director(s) or any one or more executives of the Bank to give effect to the above resolutions.”

12. Raising of Funds through Issuance of Bonds

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 in Indian currency or any other permitted foreign currency by way of issue debt instruments including but not limited to Additional Tier I bonds (AT1 bonds), Tier II bonds, long term bonds to be issued for financing Infrastructure and Affordable housing loans, Masala Bonds, bonds issued for Environmental Social Governance funding (ESG bonds) such as Green Bonds, Blue Bonds or other such debt securities as may be permitted by RBI from time to time towards the stated purpose, up to ₹ 8,000 crore

(Rupees Eight 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 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”

13. To approve the issuance of equity shares on preferential basis

To approve the offer or invitation to subscribe to equity shares by way of preferential allotment on a private placement basis, and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to (i) the provisions of Sections 23, 42 and 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (the **“Companies Act”**) read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory amendment(s) or modification(s) thereto or enactment(s) or re- enactment(s) thereof the time being in force); (ii) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the **“ICDR Regulations”**); (iii) the Banking Regulation Act, 1949, the Master Directions – Issue and Pricing of Shares by Private Sector Banks, Directions, 2016, the Master Directions – Ownership in Private Sector Banks, Directions, 2016, the Master Directions – Prior Approval for acquisition of shares or voting rights in Private Sector Banks, Directions, 2015; (iv) the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **“Listing Regulations”**); in each case, including statutory amendment(s) or modification(s) thereto or re-enactment(s) or substitution(s) made there under, if any, for the time being in force and in accordance with other applicable rules, regulations, circulars, notifications, clarifications and guidelines issued thereon, from time to time (v) any other rules / regulations / guidelines, if any, prescribed by the Securities and Exchange Board of India (**“SEBI”**), the Ministry of Corporate Affairs, the Reserve Bank of India, under the Foreign Exchange Management Act, 1999, as amended, and rules and regulations framed there under, the respective stock exchanges where the shares of the Bank are listed (**“Stock Exchanges”**) and/or any other statutory / regulatory authority; and (vi) the memorandum and articles of association of the Bank; and subject to the approvals), consent(s), permission(s) and/or sanction(s), if any, of the appropriate authorities, institutions or bodies as may be required, and subject to such conditions and modifications, as may be prescribed by any of them while granting any such approvals, consent(s), permission(s), and/or sanction(s), and which terms may be agreed to by the Board of Directors of the Bank (the **“Board”**, which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), the approval of the members of the Bank be and is hereby accorded to create, offer, issue and allot 10,48,46,394 equity shares of face value Rs.2/- (Indian Rupees Two only) each (**“Shares”**) at an issue price of Rs. 87.39 per share for a consideration not exceeding an aggregate amount of **Rs. 916,252,6371.66** (Rupees Nine Hundred and Sixteen Crore Twenty Five Lakhs Twenty Six Thousand Three Hundred and Seventy One and Sixty Six paise) to the following investors, each a Qualified Institutional Buyer in terms of ICDR Regulations(the **“Allottees”**) by way of preferential allotment on a private placement basis (**“Preferential Allotment”**), in accordance with the ICDR Regulations, Companies Act and other applicable laws and, on such terms and conditions as mentioned hereunder:

| Sl No. | Name of Allottees | Permanent Account Number (PAN) | No. of Shares | Subscription Amount (in Rs.) |
|--------|--|--------------------------------|---------------|------------------------------|
| 1. | International Finance Corporation ("IFC") | EXEMPTED CATEGORY | 31453918 | 2748757894.02 |
| 2. | IFC Financial Institutions Growth Fund, LP ("FIG") | AAHFI5038D | 36696238 | 3206884238.82 |
| 3. | IFC Emerging Asia Fund, LP ("EAF") | AAHFI4959F | 36696238 | 3206884238.82 |

"RESOLVED FURTHER THAT the relevant date for the determination for the issue price for the Shares as per the ICDR Regulations is June 09, 2021. "

"RESOLVED FURTHER THAT the Preferential Allotment shall be made on the following terms and conditions:

- (i) Each Allottee shall be required to bring in 100% of the consideration for the relevant Shares on or before the date of allotment thereof.
- (ii) The consideration for allotment of the relevant Shares shall be paid to the Bank from the bank account of each Allottee, respectively.
- (iii) The Shares to be issued and allotted pursuant to this resolution shall be listed and traded on the Stock Exchanges, where the equity shares of the Company are listed, subject to the receipt of necessary regulatory permissions and approvals, as the case may be.
- (iv) Allotment of Shares shall only be made in dematerialized form.
- (v) The Shares allotted to the Allottees shall rank *pari passu* inter-se with the existing equity shares of the Bank in all respects (including with respect to dividend and voting rights) and shall be subject to the Memorandum of Association and Articles of Association of the Bank and any applicable lock-in requirements in accordance with Regulation 167 of the ICDR Regulations.
- (vi) The Shares shall be issued and allotted within a period of 15 (fifteen) days from the date of this resolution. Where the allotment of the Shares is pending on account of pendency of any approval for the preferential issue / for such allotment by any regulatory / statutory authority, the allotment shall be completed within a period of 15 (fifteen) days from the date of such approval."

"RESOLVED FURTHER THAT subject to the ICDR Regulations and other applicable laws, the Board be and is hereby authorized to decide, approve, vary, modify and alter the terms and conditions of the issue of the Shares, as it may, in its sole and absolute discretion deem fit within the scope of this approval of members and to make an offer to the Allottees through private placement offer cum application letter (in Form PAS-4 as prescribed under the Companies Act), without being required to seek any further consent or approval of the members. "

"RESOLVED FURTHER THAT pursuant to the provisions of the Companies Act, 2013 complete record of private placement offers be recorded in Form PAS-5 for the issue of invitation to subscribe to the Shares."

"RESOLVED FURTHER THAT the Managing Director & CEO/Executive Director(s), Chief Financial Officer and the Company Secretary of the Bank be and are hereby authorised severally to do all such acts, deeds, matters and things as they may in their sole and absolute discretion consider necessary, desirable or expedient for the purpose of giving effect to the above resolutions, including: (a) to make application(s) to the Stock Exchanges for obtaining in-principle approval for issuance of the subscription and listing of the Shares; (b) to file requisite documents / make declarations / filings with Ministry of Corporate Affairs, Reserve Bank of India, SEBI, Stock Exchanges and any other statutory authority for and on behalf of the Bank; (c) to represent the Bank before any Government / regulatory authorities; (d) to appoint any merchant bankers or other professional advisors, consultants and legal advisors, and (e) to execute, deliver and enter into any and all documents, agreements, regulatory filings, certificates or

instruments (including a certified copy of these resolutions), undertakings (including for effecting any modifications, changes, variation, alterations, additions and/or deletions to the foregoing) and to do or cause to be done any and all acts, things or deeds as may be necessary, appropriate or advisable solely in order to carry out the purposes and intent of, and to give effect to the foregoing resolutions, including any forms and documents that may be required to be filed with the concerned Registrar of Companies and other concerned regulatory authorities and to resolve and settle any questions and difficulties that may arise in the proposed issue, offer and allotment of the Shares, utilization of issue proceeds, as may be required, without being required to seek any further consent or approval of the members.”

By Order of the Board of Directors

**Sd/-
Samir P Rajdev
Company Secretary
Membership No. A17849**

Aluva, June 16, 2021

NOTES

1. In view of the continuing CoVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made there under on account of the threat posed by Covid-19", circular no. 20/2020 dated May 5, 2020 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" and Circular no. 02/2021 dated January 13, 2021 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the CoVID-19 pandemic" and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the CoVID -19 pandemic" (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Bank is being held through VC / OAVM. The registered office of the Bank shall be deemed to be the venue for the AGM.
2. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed to this Notice
3. Pursuant to the provisions of the Companies Act, 2013 ("Act") a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of the AGM are not annexed to this Notice.
4. Institutional / Corporate Shareholders (i.e., other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing their representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail through its registered e-mail address to sivarkn@sepmail.in with a copy marked to evoting@nsdl.co.in.
5. The Bank has fixed Friday, July 02, 2021 as the 'Record Date' for determining entitlement of members to final dividend for the financial year ended March 31, 2021, if approved at the AGM.
6. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source will be made on Tuesday, July 13, 2021 as under:
 - a. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of end of day on Friday, July 02, 2021.
 - b. To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Bank as of the close of business hours on Friday, July 02, 2021.
7. The Register of Members of the Bank will remain closed from Saturday, July 03, 2021 to Friday, July 09, 2021 (both days inclusive) for the purpose of AGM.
8. The Bank has fixed Friday, July 02, 2021 as the 'Cut-off Date' to record the entitlement of the shareholders to cast their voting through remote e-voting/ e-voting during the AGM.

9. Any person who is not a member on the cut-off date should treat this notice for information purposes only.
10. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition and relogged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Bank or Bank's Registrars and Transfer Agents (RTA), Integrated Registry Management Services Private Limited (II Floor Kences Towers, No.1 Ramakrishna Street, North Usman Road, T Nagar, Chennai – 600017, Ph – 044-28140801, E-mail – csdstd@integratedindia.in) for assistance in this regard.
11. Members who have not yet registered their e-mail addresses are requested to register the same with their Depository Participants ("DP") in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form.
12. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, etc., to their DPs if the shares are held by them in electronic form and to RTA if the shares are held by them in physical form.
13. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Bank/ Depositories.

Process for registration of e-mail id for obtaining Notice of the AGM along with Annual Report.

If your e-mail address is not registered with the Depositories (if shares held in electronic form) or RTA (if shares held in physical form), you may register the same on or before 5:00 p.m. (IST) on Wednesday, June 30, 2021 to receive the Notice of the AGM along with the Annual Report 2020-21 by completing the process as under:

- Visit the link <https://www.integratedindia.in/emailupdtation.aspx>
 - Select the name of the Bank from dropdown
 - Select holding type from dropdown
 - Enter details in respective fields such as DP ID and Client ID (if shares held in electronic form) / Folio no. and Certificate no. (if shares held in physical form), Shareholder PAN, and e-mail id.
 - Enter captcha code and submit.
14. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Bank's website <https://www.federalbank.co.in/shareholder-information> Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to RTA in case the shares are held in physical form.
15. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Bank or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
16. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Bank will be entitled to vote during the AGM.

17. Members seeking any information with regard to the financial statements or any matter to be placed at the AGM, are requested to write to the Bank on or before July 08, 2021 through e-mail on agm@federalbank.co.in. The same will be replied by the Bank suitably.
18. Members are requested to note that, dividends if not encashed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Bank, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, all the shares in respect of which dividend has remained unclaimed for 7 consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. In view of this, Members are requested to claim their dividends from the Bank, within the stipulated timeline. The Members, whose unclaimed dividends / shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in. For details, please refer to corporate governance report which is a part of this Annual Report and Bank's website, <https://www.federalbank.co.in/unclaimed-dividend-warrants>.
19. Members attending the meeting through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
20. Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 01, 2020 and the Bank is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update their PAN with the DP (if shares held in electronic form) and RTA (if shares held in physical form).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G / 15H, to avail the benefit of non-deduction of tax at source via <https://www.integratedindia.in/ExemptionFormSubmission.aspx> by 11:59 p.m. IST on June 30, 2021. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors(FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e., No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose the shareholder may submit the above documents via <https://www.integratedindia.in/ExemptionFormSubmission.aspx>. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on June 30, 2021.

For further details and formats of declaration, please refer to FAQs on Taxation of Dividend Distribution available on the Bank's website at <https://www.federalbank.co.in/shareholder-information>.
21. Relevant documents referred to in the accompanying Notice calling the AGM are available on the website of the Bank for inspection by the Members. The Certificate from the Central Statutory Auditors of the Bank confirming the compliance of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 with respect to the Bank's Employee Stock Option Scheme will be available for inspection through electronic mode on the website of the Bank.
22. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Bank/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Bank's website, www.federalbank.co.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL <https://www.evoting.nsdl.com>.

23. Voting through Electronic Means

- a. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 and MCA circulars the Bank is providing facility of remote e-Voting to its Members on all the resolutions set forth in this Notice. For this purpose, the Bank has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system will be provided by NSDL. The instructions for e-Voting are given herein below.
- b. The remote e-Voting period commences on Tuesday, July 06, 2021 (9:00 a.m. IST) and ends on Thursday, July 08, 2021 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on July 02, 2021 i.e. cut-off date, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Members have the option to cast their vote on any of the resolutions using the remote e-Voting facility either during the period commencing, July 06, 2021 to July 08, 2021 or e-Voting during the AGM. Members who have voted on some of the resolutions during the said voting period are also eligible to vote on the remaining resolutions during the AGM.
- c. The Members who have cast their vote by remote e-Voting prior to the AGM may attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote on such resolution again.
- d. The Board of Directors have appointed CS Puzhankara Sivakumar (Membership No. FCS 3050), Managing Partner of SEP & Associates, Practicing Company Secretaries as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
- e. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- f. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Bank and becomes a Member of the Bank after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he / she are already registered with NSDL for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.

In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Bank and becomes a Member of the Bank after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."

- g. The details of the process and manner for remote e-Voting are explained herein below:

Step 1: Access to NSDL e-Voting system

Step 2: Cast your vote electronically and join virtual meeting on NSDL e-Voting system.





Details on Step 1 - Details on Step 1 are mentioned below:

A)Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

Pursuant to SEBI circular no. SEBI/HO/ CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process.

Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-Voting facility

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | <ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp3 Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  App Store </div> <div style="text-align: center;">  Google Play </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div> </div> |
| Individual Shareholders holding securities in demat mode with CDSL | <ol style="list-style-type: none"> Existing users who have opted for "Easi / Easiest", they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to "Easi / Easiest" are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System "Myeasi". After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. |

| | |
|--|---|
| | <p>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p> |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43 |

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12***** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the Bank For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 - Cast your vote electronically and join General Meeting on NSDL e-Voting system are mentioned below:

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of the Bank, which is 116138. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF E MAIL IDS FOR E-VOTING FOR THE RESOLUTIONS SET OUT IN THIS NOTICE:

- a. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to evoting@nsdl.co.in.
- b. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to evoting@nsdl.co.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
- c. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

- a. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- b. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- c. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- d. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

GENERAL INSTRUCTIONS FOR SHAREHOLDERS

- a. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

- b. In case of any queries relating to e-Voting you may refer to the FAQs for Shareholders and e-Voting user manual for Shareholders available at the download section of <https://www.evoting.nsdl.com> or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER

- a. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against Bank name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Bank will be displayed. Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- b. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM.
- c. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 1800 1020 990 and 1800 22 44 30 or contact Amit Vishal, Senior Manager.
- d. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number at agm@federalbank.co.in from July 03, 2021 (9:00 a.m. IST) to July 05, 2021 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Bank reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- e. Members are encouraged to join the Meeting through Laptops for better experience. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

OTHER INSTRUCTIONS

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-Voting (votes cast during the AGM and votes cast through remote e-Voting) and make, not later than 48 hours of 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 authorised by him in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer's Report shall be placed on the Bank's website www.federalbank.co.in and on the website of NSDL <https://www.evoting.nsdl.com> immediately. The Bank shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Bank are listed.
3. 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

By Order of the Board of Directors

**Sd/-
Samir P Rajdev
Company Secretary
Membership No. A17849**

Aluva, June 16, 2021

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following statement sets out all material facts relating to certain ordinary business and the special businesses mentioned in the accompanying Notice:

Item no.4

The Board, in its meeting dated May 28, 2020, has approved the appointment of M/s Varma and Varma, Kochi for a period of four years, and M/s Borkar and Muzumdar, Mumbai, for a period of three years, as Joint Statutory Central Auditors, with effect from the Financial Year 2020-21, subject to the RBI and the shareholders' approval. The Reserve Bank of India, vide letter No. DOS.ARG. No. PS-8/08.09.005/2019-20 dated June 04, 2020 approved the appointment of M/s Varma & Varma, Chartered Accountants, Kochi and M/s Borkar & Muzumdar, Chartered Accountants, Mumbai, as the Joint Statutory Central Auditors of the Bank for the year 2020-2021 for their first year. The 89th Annual General Meeting of the shareholders of the Bank held on July 16, 2020 had further approved the appointment of M/s. Varma & Varma, Chartered Accountants (Registration No. 004532S) for a period of four (4) years together with M/s. Borkar & Muzumdar, Chartered Accountants (Registration No. 101569W) for a period of three (3) years as Joint Statutory Central Auditors of the Bank from the conclusion of 89th AGM till the conclusion of 93rd and 92nd AGM respectively.

RBI guidelines for appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks, vide Circular No. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, applicable from FY 2021-22 onwards, inter alia mandates that in order to protect the independence of the auditors/audit firms, entities will have to appoint the SCAs/SAs for a continuous period of three years, subject to the firms satisfying the eligibility norms each year. Further, Commercial Banks can remove the audit firms during the above period only with the prior approval of the concerned office of RBI (Department of Supervision).

In order to comply with the requirements of the RBI Circular dated April 27, 2021, pursuant to the recommendation of the Audit Committee (the "Committee"), the Board of Directors of the Bank (the "Board") at its meeting held on June 16, 2021 considered and approved the proposal of revision of tenure of appointment of M/s. Varma and Varma, one of the Joint Statutory Central Auditors, as three years with effect from FY 2020-21 subject to the approval of Shareholders of the Bank.

M/s. Varma & Varma was established by Mr. Kerala Varma Kochunniappan Thampuran and Mr. Kerala Varma Kunhappan Thampuran, two members of the erstwhile Royal Family of Cochin (now Kochi), Kerala on June 17, 1935. The firm has Statutory Central Auditor experience of Public Sector Banks like State Bank of India, Indian Overseas Bank, Canara Bank, Indian Bank, Punjab & Sind Bank, erstwhile State Bank of Travancore and erstwhile Syndicate Bank. The firm was our Statutory Central Auditor during FY 2001-02 to 2003-04 and then from FY 2008-09 to 2011-12. They have done the Statutory Central Audit of other Private Sector Banks like South Indian Bank and Catholic Syrian Bank. The firm has 8 branches at Bangalore, Chennai, Hyderabad, Mumbai, Trivandrum, Thrissur, Kozhikode & Kannur with Head Office at Kochi. The firm has experience of around 51 years as Statutory Central Auditor of Banks.

The Board of Directors recommends the resolution in relation to revision of tenure of appointment of M/s. Varma and Varma, one of the Joint Statutory Central Auditors, as three years with effect from FY 2020-21 as set out in Item No. 4 for approval of the Members by way of an Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Bank and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

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 Joint Statutory Central Auditors.

The Board of Directors recommends the resolution in relation to appointment and to fix the remuneration of branch auditors as set out in Item No. 5 for approval of the Members by way of an Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Bank and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

Item no.6

Mr. Varsha Purandare (DIN: 05288076), who has been appointed as an Additional Director (Independent) of the Bank w.e.f. September 08, 2020 pursuant to the provisions of Section 161 and other applicable provisions of the Companies Act, 2013 (the 'Act'), holds office up to the date of this Annual General Meeting (AGM) of the Bank or the last date on which the AGM should have been held, whichever is earlier and is eligible for appointment. In terms of Section 160 of the Act, the Bank has received a notice in writing from a Member signifying intention to propose the candidature of Ms. Varsha Purandare for the office of Director. Ms. Varsha Purandare has furnished consent/declarations for her appointment as required under the Act and the Rules there under.

The Nomination, Remuneration, Ethics and Compensation Committee had assessed the profile of Ms. Varsha Purandare and having found her to be 'fit and proper' in terms of Reserve Bank of India's Circular on 'Fit and proper' criteria for directors of banks and basis of the report of performance evaluation recommended her appointment to the Board of Directors. In terms of Sections 149, 152, 160 read with Schedule IV of the Act, the Board of Directors of the Bank, basis the recommendation of the Nomination, Remuneration, Ethics and Compensation Committee, have reviewed the profile of Ms. Varsha Purandare and the declarations that she meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act, and under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Board is of opinion that she fulfills the criteria of independence. In the opinion of the Board, Ms. Varsha Purandare meets the fit and proper criteria and is a person of integrity, and has the necessary knowledge, experience and expertise for being appointed as an Independent Director. Considering her vast expertise and knowledge in the field of Credit, Forex, Treasury, Capital Markets, Investment Banking, and Private Equity Businesses, it would be in the interest of the Bank that Ms. Varsha Purandare is appointed as an Independent Director on the Board of the Bank.

Ms. Varsha Purandare appointment is in compliance with the provisions of Section 10A of the Banking Regulation Act, 1949, in particular, on account of Ms. Varsha Purandare having the requisite experience/ expertise required under Section 10A(2) of the Banking Regulation Act, 1949.

Additional information in respect of Ms. Varsha Purandare, pursuant to Regulation 36 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2) are given at Annexure A to this Notice. Brief profile of Ms. Varsha Purandare is given at Annexure B to this Notice.

The Nomination, Remuneration, Ethics and Compensation Committee and Board of Directors recommends the resolution in relation to the appointment of Ms. Varsha Purandare as Non-Executive Independent Director of the Bank as set out in Item No. 6 for approval of the Members by way of an Ordinary Resolution.

Except Ms. Varsha Purandare or her relatives, none of the Directors and Key Managerial Personnel of the Bank and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

Item no. 7

Mr. Shyam Srinivasan (DIN: 02274773) has been serving as the Managing Director & CEO ('MD & CEO') of the Bank since September 23, 2010, in accordance with the provisions of the Articles of Association ('AOA') of the Bank, recommendation of Nomination, Remuneration, Ethics and Compensation Committee and the Board of Directors and with the approval of the Members of the Bank and the Reserve Bank of India ('RBI'), were obtained from time to time. His current tenure as MD & CEO of the Bank as approved by Members of the Bank and the RBI was valid upto September 21, 2020.

Despite the tumultuous market environment, under his leadership, Federal Bank has achieved consistent healthy performance and turned the Bank to be one among the strongest and healthiest Banks in the system with robust financial results with low NPA levels.

Considering, the leadership and strategic direction provided by Mr. Shyam Srinivasan in driving the growth and profitability of the Bank in a complex environment and the overall performance of the Bank, the Board of Directors

at their meeting held on March 13, 2020 based on the provisions of the AOA and recommendation of Nomination, Remuneration, Ethics and Compensation Committee, had approved the re-appointment including terms of re-appointment as MD & CEO with effect from September 23, 2020 being the day after the expiry of the present term for a period of three (3) years which will be subject to receipt of approval from RBI and the Members of the Bank.

RBI vide letter DoR.Appt.No 87/08.38.001/2020-21 dated July 16, 2020 had granted approval for re-appointment of Mr. Shyam Srinivasan as MD & CEO of the Bank for a period of one year w.e.f. September 23, 2020 till September 22, 2021. Further, RBI vide said letter also approved the Fixed Pay (including perquisites) of Mr. Shyam Srinivasan effective from September 23, 2020 as stated below.

| Items | Remuneration (per annum) |
|--|--------------------------|
| 1. Salary | Rs. 2,25,00,000/- |
| 2. Dearness Allowance | Nil |
| 3. Retiral/Superannuation benefits: | |
| a. Provident Fund | 22,50,000/- |
| b. Gratuity | 18,75,000/- |
| c. Pension | - |
| 4. Leave Fare Concession | 6,00,000/- |
| 5. Leave Encashment | 18,75,000/- |
| 6. Perquisites | |
| i. Free Furnished House and its maintenance/House Rent Allowance | 23,50,000/- |
| ii. Conveyance Allowance/Free use of bank's car for | |
| a. Official purposes | 28,800/- |
| b. Private purposes | - |
| iii. Driver(s)' salary | 10,800/- |
| iv. Club Membership(s) | 31,800/- |
| v. Reimbursement of Medical Expenses | - |
| vi. Servant Wages | 1,50,000/- |
| vii. Insurance Premium | 2,250/- |
| Total Fixed Pay (Including Perquisites) | 3,16,73,650/- |

Further, MD & CEO's re-appointment is in terms of the Articles of Association of the Bank, and in compliance with the provisions of Section 10B, in particular, on account of Mr. Shyam Srinivasan having the requisite experience/expertise required under Section 10B and other applicable provisions of the Banking Regulation Act, 1949.

Accordingly, approval of the members is requested for re-appointment of Mr. Shyam Srinivasan as MD & CEO of the Bank for a period of one year w.e.f. September 23, 2020 till September 22, 2021 as per the aforesaid terms.

Additional information in respect of Mr. Shyam Srinivasan, pursuant to Regulation 36 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2), is given at Annexure A to this Notice. Brief profile of Mr. Shyam Srinivasan is given at Annexure B to this Notice.

The Nomination, Remuneration, Ethics and Compensation Committee and Board of Directors recommends the resolution in relation to the re-appointment of Mr. Shyam Srinivasan as MD & CEO of the Bank as set out in item No. 07 for approval of the Members by way of an Ordinary Resolution

Except Mr. Shyam Srinivasan or his relatives, none of the Directors and Key Managerial Personnel of the Bank and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item No. 07.

Item no. 08

Mr. Ashutosh Khajuria (DIN: 05154975) was re-appointed as the Executive Director of the Bank for a period with effect from January 28, 2020 to March 31, 2021. The current term of the Executive Director & Chief Financial Officer expired on March 31, 2021. Basis recommendation of Nomination, Remuneration, Ethics and Compensation Committee, the Board of Directors of the Bank at its meeting held on September 08, 2020 had approved the proposal for re- appointment of Mr. Ashutosh Khajuria as Executive Director of the Bank for a period up to April 30, 2022, from the end of his current tenure on March 31, 2021 based on revised terms and conditions/ compensation, subject to the approval of Reserve Bank of India and Shareholders of the Bank. Reserve Bank of India vide its letter no. DOR.GCA-CB.No. 2145/08.38.001/2020-21 dated January 01, 2021, approved the proposal for re- appointment of Mr. Ashutosh Khajuria as Executive Director with effect from April 01, 2021 till April 30, 2022.

The RBI approval for the revised Remuneration/Terms and Conditions of Mr. Ashutosh Khajuria, Executive Director of the Bank is awaited.

The Board of Directors of the Bank had in its meeting dated June 19, 2020, approved payment of ₹13 lakh as Performance Linked Incentive to Mr. Ashutosh Khajuria, Executive Director for the financial year ended March 31, 2020 for which approval from Reserve Bank of India was obtained vide its letter DOR.GCA-CB.No. 2141/08.38.001/2020-21 dated January 1, 2021.

Accordingly, approval of the members is requested for re-appointment of Mr. Ashutosh Khajuria as Executive Director of the Bank with effect from April 01, 2021 to April 30, 2022 and for payment of Performance Linked Incentive.

Additional information in respect of Mr. Ashutosh Khajuria, pursuant to Regulation 36 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2), is given at Annexure A to this Notice. Brief profile of Mr. Ashutosh Khajuria is given at Annexure B to this Notice

The Nomination, Remuneration, Ethics and Compensation Committee and Board of Directors recommend the resolution in relation to the re-appointment of Mr. Ashutosh Khajuria as Executive Director of the Bank as set out in item No. 8 for approval of the Members by way of an Ordinary Resolution.

Except Mr. Ashutosh Khajuria or his relatives, none of the Directors and Key Managerial Personnel of the Bank and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item No. 08.

Item no. 09

The Board of Directors of the Bank had in its meeting dated June 19, 2020, approved payment of ₹11 lakh as Performance Linked Incentive to Ms. Shalini Warriar, Executive Director for the financial year ended March 31, 2020 (PLI relates to her performance as COO till January 14, 2020 and as ED & COO from January 15, 2020) for which approval from Reserve Bank of India was obtained vide its letter DOR.GCA-CB.No. 2141/08.38.001/2020-21 dated January 1, 2021.

Accordingly, approval of the members is requested for payment of performance linked incentive to Ms. Shalini Warriar.

Except Ms. Shalini Warriar or her relatives, none of the Directors and Key Managerial Personnel of the Bank and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item No. 09.

Item no. 10

As per the provisions of Section 149(10) of the Companies Act, 2013 (the "Act"), an Independent Director can hold office for a term of up to five consecutive years on the Board of a company, and he shall be eligible for re-appointment for an additional term of up to five consecutive years, on passing of a Special Resolution by the company.

Further, no Independent Director shall hold office for more than two terms of five consecutive years each. However, in case of banking companies, which are governed under the provisions of Section 10A(2A) of the Banking Regulation Act, 1949, the overall tenure of a Non-Executive Director is restricted for a period of eight consecutive years.

Mr. A P Hota was appointed as an Independent Director of The Federal Bank Limited (the "Bank"), for a period of three (3) years with effect from the 87th AGM of the Bank dated August 10, 2018 and to hold office upto the AGM to be held in 2021 in terms of the provisions of Section 149 of the Act and Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"). Accordingly, the first term of Mr. A P Hota, as an Independent Director of the Bank expires at the close of business hours on July 09, 2021.

Pursuant to the recommendation of the Nomination, Remuneration, Ethics and Compensation Committee (the "Committee"), the Board of Directors of the Bank (the "Board") at its meeting held on June 11, 2021 considered and approved the proposal to re-appoint Mr. A P Hota for his second term, as an Independent Director of the Bank, from July 10, 2021 to January 14, 2026 (both days inclusive), being the period up to which he can continue as a Director of the Bank, under the provisions of section 10A(2A) of the Banking Regulation Act, 1949, subject to the approval of the Members of the Bank, by means of a Special Resolution.

Mr. A P Hota has the requisite qualifications, skills, experience and expertise in specific functional areas viz., Central Banking, Banking Regulation & Supervision, Banking Technology, Payments System and Risk Management which are beneficial to the Bank. The Board has satisfied itself about the integrity, expertise and experience of Mr. A P Hota.

Additional information in respect of Mr. A P Hota, pursuant to Regulation 36 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2), is given at Annexure A to this Notice. Brief profile of Mr. A P Hota is given at Annexure B to this Notice

The Committee and the Board has determined that Mr. A P Hota is a fit and proper person to be re-appointed as a Director of the Bank, as per the fit and proper norms prescribed by the RBI. The Bank has also received declarations from Mr. A P Hota affirming that he meets the criteria of independence, as prescribed under the provisions of Section 149(6) of the Act and Regulation 16 of the SEBI Listing Regulations. The Board has established the veracity of the declaration of independence as provided by Mr A P Hota and based on the said declarations the Board is of opinion that he is independent from the Management of the Bank.

Mr. A P Hota is not disqualified from being re-appointed as Director of the Bank, in terms of the provisions of Section 164 of the Act and has given his consent to act as a Director of the Bank. In the opinion of the Board, he fulfills the conditions relating to his re-appointment as prescribed under the relevant provisions of the Act and the relevant Rules made there under, the SEBI Listing Regulations, the Banking Regulation, Act, 1949 and other guidelines issued by the RBI, in this regard, from time to time.

During his tenure as an Independent Director of the Bank, Mr. A P Hota shall not be liable to retire by rotation, in terms of Section 149(13) of the Act.

In terms of the Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019 read with the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, Mr. A P Hota has enrolled his name in the online databank of Independent Directors maintained by the Government and he is in compliance of all requirements of the said Rules.

Mr. A P Hota does not hold any equity shares of the Bank and is not related to any other Director or Key Managerial Personnel of the Bank.

Based on the above and after taking into account the outcome of his performance evaluation, the Committee and the Board are of the opinion that the continuation of Mr. A P Hota as an Independent Director of the Bank would be in the interest of the Bank and accordingly recommends the resolution in relation to the re-appointment of Mr. A P Hota as Independent Director of the Bank as set out in item No. 10 for approval of the Members by way of an Special Resolution.

Except Mr. A P Hota or his relatives, none of the Directors and Key Managerial Personnel of the Bank and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item No. 10.

Item no. 11

To maintain strong capital adequacy and ensure unhindered growth despite the challenging macroeconomic scenario, Bank proposes to raise additional capital aggregating up to Rs 4000/- Crores (Four Thousand Crores only) or its equivalent amount in such foreign currencies as may be necessary, inclusive of any premium, by way of placement of Securities or a combination thereof to Qualified Institutional Buyers through Qualified Institutions Placement (QIP) and/ or private placement in international markets through ADRs/ GDRs or foreign currency convertible bonds or issue of fully convertible debentures/partly convertible debentures, and/or any other financial instruments or securities convertible into Equity Shares with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, in registered or bearer form, whether rupee denominated or denominated in foreign currency or a Further Public Offer ("FPO") or rights issue or any other methods. The issue of securities may be consummated in one or more tranches at such time or times at such price, at a discount or premium to market price or prices in such manner and on such terms and conditions as the Board may in its absolute discretion decide, taking into consideration prevailing market conditions and other relevant factors and wherever necessary in consultation with advisors, lead managers, underwriters and such other authority or authorities as may be necessary and subject, to, as applicable, the ICDR Regulations, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, the Depository Receipts Scheme, 2014, and other applicable guidelines, notifications, rules and regulations, each as amended.

The Board may in their discretion adopt any one or more of the mechanisms prescribed above to meet its objectives as stated in the aforesaid paragraphs without the need for fresh approval from the members of the Bank.

Basis or Justification of Price: The pricing of the Securities that may be issued to qualified institutional buyers pursuant to a qualified institutions placement shall be freely determined subject to such price not being less than the price calculated in accordance with Chapter VIII of the ICDR Regulations. The Bank may, in accordance with applicable law, offer a discount of not more than 5% or such percentage as permitted under applicable law on the floor price determined pursuant to the ICDR Regulations or such other discount as may be permitted under applicable law. The "Relevant Date" for this purpose in case of allotment of Equity Shares, will be the date when the Board or the Committee of the Board decides to open the qualified institutions placement for subscription or, in case of convertible securities, the date of the meeting in which the Board or Committee of Directors duly authorized by the Board decides to open the proposed issue.

The Equity Shares allotted would be listed on one or more stock exchanges in India and in case of ADR/GDR, internationally. The offer/ issue / allotment would be subject to the availability of the regulatory approvals, if any. The conversion of Securities held by foreign investors into Equity Shares would be subject to the applicable foreign investment cap and relevant foreign exchange regulations. As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the stock exchanges as may be required under the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

Section 62(1) (a) of the Companies Act, 2013 provides, inter alia, that when it is proposed to increase the issued capital of a company by allotment of further Equity Shares, such further Equity Shares shall be offered to the existing members of such company in the manner laid down therein unless the members by way of a special resolution in a General Meeting decide otherwise. Since, the Special Resolution proposed in the business of the Notice of Annual General Meeting may result in the issue of Equity Shares of the Bank to persons other than existing members of the Bank, consent of the members, by way of a special resolution, is being sought pursuant to the provisions of Section 62(1)(c) and other applicable provisions of the Companies Act, 2013 as well as applicable rules notified by the Ministry of Corporate Affairs and in terms of the provisions of the Listing Regulations.

This Special Resolution, if passed, will have the effect of allowing the Board to offer, issue and allot Securities or a combination thereof to the investors who may or may not be the existing members of the Bank

The Board of Directors recommends the resolution as set out in item No. 11 for approval of the Members by way of a Special Resolution.

The Directors, Key Managerial Personnel of the Bank and their respective relatives may be deemed to be concerned or interested in the passing of resolution to the extent of securities issued / allotted to them or to the companies in which they are director or member. Save as aforesaid, none of the Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in this resolution set out at Item No. 11.

Item no. 12

The Bank has been borrowing funds to meet the business requirements within the limits approved by the shareholders by way of issuance of debt securities (bonds) as permitted by Reserve Bank of India ("RBI") and in accordance with the provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, and other applicable laws, from time to time.

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 Board 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 July 16, 2020 for borrowing/raising funds by issue of debt securities pursuant to the relevant provisions of the applicable circulars or guidelines issued by RBI, upto Rs. 8,000 Crore (Rupees Eight Thousand Crore Only), in one or more tranches. The current approval of Members is valid till July 15, 2021.

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. Subject to such approval, the Board of the Bank can offer or invite for non-convertible debentures, where the proposed amount to be raised through such offer or invitation does not exceed the limit as specified in the Act. Accordingly, the Board of Directors in its meeting dated June 16, 2021 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 Additional Tier I bonds (AT1 bonds), Tier II bonds, long term bonds to be issued for financing Infrastructure and Affordable housing loans, Masala Bonds, bonds issued for Environmental Social Governance funding (ESG bonds) such as Green Bonds, Blue Bonds or other such debt securities as may be permitted by RBI from time to time towards the stated purpose, upto Rs.8000 Crore (Rupees Eight 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) of the Companies Act, 2013.

The pricing of the NCDs / Additional Tier I bonds (AT1 bonds), Tier II bonds/ Long Term Bonds (Infrastructure & Affordable Housing)/ Masala Bonds/ bonds issued for Environmental Social Governance funding (ESG bonds) such as Green Bonds, Blue Bonds or other such debt securities 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.

The Board of Directors recommends the resolution in relation to Raising of Funds through Issuance of Bonds as set out in item No. 12 for approval of the Members by way of a Special Resolution.

None of the Directors and Key Managerial Personnel of the Bank and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 12.

Item no. 13

The present authorized capital of the Bank is Rs.800 crore and the Paid-up Capital of the Bank as on June 16, 2021 is Rs. 3,992,567,476/- divided in to 1,996,283,738 Equity shares of Rs.2/- each.

A Banking company requires adequate capital to meet the needs of growing business, Invest in latest systems and processes and to comply with the RBI stipulated BASEL III Capital requirements. Without the necessary capital, a Banking enterprise risks falling behind the curve with restraints on asset expansion, outdated systems and regulatory roadblocks. With competitors of the Bank raising capital through various routes post-covid, it is imperative for the Bank also to ensure adequacy of capital for its own operations.

Accordingly, the Board of directors of the Bank (the "**Board**") had pursuant to its resolution passed on June,16 2021, subject to the consent of the members, approved the issue and allotment of up to 10,48,46,394 (Ten Crore Forty Eight Lakhs Forty Six Thousand Three Hundred and Ninety Four) equity shares of face value of Rs. 2.00 (Rupee Two) each ("**Shares**") at an issue price of Rs.87.39/- (Rupees Eighty Seven and Thirty Nine paise) each (as determined by the Board in accordance with the pricing guidelines prescribed under Regulation 164 of Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**ICDR Regulations**")) as on the relevant date to investors, each a Qualified Institutional Buyer in terms of ICDR Regulations ("**Investors**") in the manner as recorded by the Board ("**Preferential Allotment**"). The Board has also approved and the parties have entered into a definitive agreement in this regard, in connection with the Preferential Allotment. The definitive agreement entered into for this purpose outlines the terms of the Preferential Allotment and provides *inter alia* for certain environmental and social covenants, such as the implementation of certain environmental management and monitoring protocols and a movement by the Company towards green loans. The same is in line with leading corporate standards on social and environmental responsibility systems and developing business trends globally.

In terms of Sections 23, 42 and 62(1)(c) of the Companies Act, 2013 and Regulation 160 of the ICDR Regulations, approval of the members by way of a special resolution is required to issue the Shares on preferential basis.

In terms of the Companies Act and the ICDR Regulations, the relevant details and other material facts in connection thereto are provided hereunder:

1. Objects of the preferential issue

The Bank is undertaking an issue and allotment of certain equity shares, the proceeds of which will be primarily used to meet the needs of the growing business of the Bank, including long term capital requirements for pursuing growth plans, to increase the capacity of the Bank to lend, and for general corporate purposes.

2. Size of the preferential issue

The Bank proposes to offer, issue and allot, by way of a preferential issue, up to 10,48,46,394 (Ten Crore Forty Eight Lakhs Forty Six Thousand Three Hundred and Ninety Four) equity shares of face value of Rs. 2.00 (Rupee Two) each ("**Shares**") at an issue price of Rs. 87.39 (Rupees Eighty Seven and Thirty Nine paise) each for an amount aggregating to Rs.916,252,6371.66 (Rupees Nine Hundred and Sixteen Crore Twenty Five Lakhs Twenty Six Thousand Three Hundred and Seventy One and Sixty Six paise)

3. Price of the preferential issue

The Bank proposes to offer, issue and allot Shares each at an issue price of Rs. 87.39 (Rupees Eighty Seven and Thirty Nine paise) each (as determined by the Board in accordance with the pricing guidelines prescribed under the ICDR Regulations).

4. Basis on which the price of the preferential issue has been arrived at

The equity shares of the Bank are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") (NSE together with BSE shall hereinafter be referred to as the "Stock Exchanges").

The equity shares are frequently traded and the share prices on NSE being the stock exchange with higher trading volumes for the said period, have been considered for arriving at floor price of the shares to be allotted under the Preferential Allotment to the Investors in accordance with the ICDR Regulations.

The price per Share has been arrived at in accordance with the pricing guidelines prescribed under Regulation 164(4) of Chapter V of the ICDR Regulations, which shall be a price not less than the average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognised Stock Exchange during the two weeks preceding the relevant date.

5. Relevant date with reference to which the price has been arrived at

The relevant date as per the relevant provisions of Chapter V of the ICDR Regulations, for the determination of the said issue price for the Shares is June 09, 2021.

6. The class or classes of persons to whom the allotment is proposed to be made

The Shares pursuant to the preferential issue shall be allotted to the following Investors in the manner as recorded below. The Investors are not existing shareholders of the Company

| SI No. | Name of Allottees | Permanent Account Number (PAN) | No. of Shares | Subscription Amount (in Rs.) |
|--------|--|--------------------------------|---------------|------------------------------|
| 1. | International ("IFC") | EXEMPTED CATEGORY | 31453918 | 2748757894.02 |
| 2. | IFC Financial Institutions Growth Fund, LP ("FIG") | AAHFI5038D | 36696238 | 3206884238.82 |
| 3. | IFC Emerging Asia Fund, LP ("EAF") | AAHFI4959F | 36696238 | 3206884238.82 |

7. Intention of the Promoters, Directors or Key Managerial Personnel to subscribe to the preferential issue

None of the Promoters, Directors, Key Managerial Personnel or any of their Relatives is concerned or interested, financially or otherwise, in the proposed Special Resolution set out in this Notice for the allotment of Shares, nor do such persons intend to subscribe to the preferential issue of Shares to the Investors

8. Proposed time for completion of Preferential Allotment

The Bank will complete the allotment pursuant to this preferential issue within a period of 15 (fifteen) days from the date when the shareholders' resolution approving this Preferential Allotment is passed. Where the allotment of the Shares is pending on account of pendency of any approval for the preferential issue / for such allotment by any regulatory / statutory authority, the allotment shall be completed within a period of 15 (fifteen) days from the date of such approval.

9. Names of the proposed allottees and the percentage of post preferential issue capital that may be held by them

The names of the Investors together with their post issue capital held with them will be as set out below:

| Sl No | Name of Investor | Post-issue capital held (in %) |
|-------|--|--------------------------------|
| 1. | International Finance Corporation (“IFC”) | 1.4970 % |
| 2. | IFC Financial Institutions Growth Fund, LP (“FIG”) | 1.7465 % |
| 3. | IFC Emerging Asia Fund, LP (“EAF”) | 1.7465 % |

10. Change in control if any, in the Bank that would occur consequent to the preferential issue

There will be no change in control of the Bank pursuant to the Preferential Allotment.

11. The number of persons to whom allotment on a preferential basis has been made during the year, in terms of number of securities as well as the price

During the Current Financial Year 2021-22, no allotment of securities on preferential basis has been made by the Bank.

12. Pre and Post-Issue Shareholding Pattern

The Pre and Post-Issue Shareholding Pattern of the Bank is set out below

| Sr. No. | Category | Pre-Issue (11.06.2021) | | Post-Issue | |
|---------|-----------------------------|------------------------|-------------------|--------------------|-------------------|
| | | No. of shares held | % of shareholding | No. of shares held | % of shareholding |
| A | Promoter Holding | | | | |
| 1 | Indian | 0 | 0 | 0 | 0 |
| | Individual | 0 | 0 | 0 | 0 |
| | Bodies Corporate | 0 | 0 | 0 | 0 |
| | Sub-total (1) | 0 | 0 | 0 | 0 |
| 2 | Foreign Promoters | 0 | 0 | 0 | 0 |
| | Sub-total (2) | 0 | 0 | 0 | 0 |
| | Total (A) (1 + 2) | 0 | 0 | 0 | 0 |
| B | Non-Promoter Holding | | | | |
| 1 | Institutional Investors | | | | |
| | Indian | 719333363 | 36.03 | 719333363 | 34.24 |
| | Foreign | 504370963 | 25.27 | 609217357 | 28.99 |
| 2 | Non-Institutional Investors | | | | |
| i | Private Corporate Bodies | 180184637 | 9.03 | 180184637 | 8.58 |
| ii | Directors and relatives | 1311095 | 0.07 | 1311095 | 0.06 |
| iii | Indian Public | 464750360 | 23.28 | 464750360 | 22.12 |
| iv | Others (Including NRIs) | 126333320 | 6.33 | 126333320 | 6.01 |
| | Total (B) | 1996283738 | 100 | 2101130132 | 100 |
| | Grand Total (A+B) | 1996283738 | 100 | 2101130132 | 100 |

13. Identity of the natural persons who are the ultimate beneficial owners of the Shares proposed to be allotted and / or who ultimately control the Investors

Not applicable. IFC is a multi-lateral financial institution set up by virtue of its Articles of Agreement among its member countries. There is no natural person who controls IFC. AMC entities are managed by IFC. There is no natural person who ultimately controls the AMC investee entities.

14. Contribution being made by the promoters or directors either as part of the preferential issue or separately in furtherance of objects

No contribution is being made by promoters or directors of the Bank, as part of the preferential issue

15. Auditors' certificate

A certificate from M/s. Varma & Varma, Chartered Accountants and M/s. Borkar & Muzumdar, Chartered Accountants Joint Statutory Central Auditors of the Bank certifying that the preferential issue is being made in accordance with the requirements under the ICDR Regulations shall be made available on the day of the AGM on the website of the Bank at "www.federalbank.co.in."

16. Lock-in requirements

The Shares allotted pursuant to the preferential issue will be subject to applicable lock-in and transfer restrictions in accordance with the ICDR Regulations.

17. Other disclosures

A) SALIENT ASPECTS OF THE AGREEMENT MADE WITH IFC

The Board of Directors of the Bank (the "**Board**") had pursuant to its resolution passed on June 16, 2021, subject to the consent of the members, approved the issue and allotment of up to 104,846,394 equity shares of face value of Rs 2.00 (Rupee Two) each ("**Shares**") amounting to 4.99 % of the total share capital of the Company - at an issue price of Rs 87.39 each (as determined by the Board in accordance with the pricing guidelines prescribed under Regulation 164 of Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**ICDR Regulations**")) as on the relevant date to namely (i) International Finance Corporation; (ii) IFC Financial Institutions Growth Fund, LP; and (iii) IFC Emerging Asia Fund, LP - each a Qualified Institutional Buyer in terms of ICDR Regulations ("**Investors**") in the manner as recorded by the Board ("**Preferential Allotment**") – subject to the completion of certain conditions precedent. The Investors are not related to the Company in any manner whatsoever and do not presently hold any shareholding in the Company.

The Board has also approved, and the Investors and the Company have entered into a definitive agreement ("**Definitive Agreement**") in this regard, in connection with the Preferential Allotment.

As the investment is in the nature of a 'green investment' i.e. it is committed towards the preservation of the environment, the Definitive Agreement entered into for this purpose outlines the terms of the Preferential Allotment and provides *inter alia* for certain environmental and social covenants, such as the implementation of certain environmental management and monitoring protocols and a phased transition towards financing green loans. The same is in line with leading corporate standards on social and environmental responsibility systems and developing business trends globally. The investment strengthens the Company's Tier 1 capital adequacy ratio, to position itself for post-COVID-19 growth opportunities, particularly in the MSME and climate finance segment. The investment will also support the Company in reducing coal exposure. The salient aspects of the same are set hereafter.

Key Aspects

Upon the consummation of the Preferential Allotment:

- the Company would be undertaking steps to implement robust social and environmental management systems. The Company would, over time, develop the systems and policies in this regard – so as to become compliant with global best practices in terms of *inter alia* environmental due-diligence, identification of corrective actions, and

risk-based monitoring. The Investors will help the Company in terms of: (i) knowledge, innovation and capacity building by helping the Company develop its climate strategy and grow its green lending portfolio, and (ii) setting standards as IFC assists the Bank to improve its environmental and social (E&S) risk management and environmental, and social governance (ESG) compliance. The Investors, being a partner/ collaborator with the Company, would be provided with certain information reports on the Company's performance on social and environmental factors – in compliance with applicable law.

- the Company and its subsidiaries would, over time, undertake steps to reduce its exposure and financial commitments to coal related projects. The Company has exposure to coal-related projects (3.5 percent of its portfolio as of March 31, 2021). The exposure to coal-related projects will be required to be reduced by 50 percent of the current exposure percentage by 2025 and to be zero by 2030. The Company has committed to reduce its exposure accordingly and agreed to terminate financing of any new coal-related assets, including coal-fired power plants once the Investors become shareholders in the Bank. In addition, the Company has agreed to disclose in its annual reports information on high risk projects (the name, location by city, and sector) committed after the Investors' investment as well as the Company's exposure to coal related projects as percent of its portfolio
 - the Company and its subsidiaries would similarly, and in line with global best practices and its social and environmental management systems, not undertake financing of certain specified activities such as the gambling and casinos, certain environmentally harmful drift net fishing practices, the production or trade of radioactive materials, of wood/ forestry products from unsustainably managed forests, unbonded asbestos fibres, weapons and munitions, etc.
- B) Report of a Registered Valuer under provisions of second proviso to Rule 13(1) of the Companies (Share Capital and Debentures) Rules, 2014, as amended, is not required for the allotment of Shares.
- C) The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer is not applicable as the allotment of Shares is for a cash consideration.
- D) Principal terms of assets charged as securities : NA

18. Undertakings

- (a) Neither the Bank nor any of its Promoters or Directors is a wilful defaulter.
- (b) Neither the Bank nor any of its Promoters or Directors is a fugitive economic offender as defined under the ICDR Regulations.
- (c) The equity shares of the Bank have been listed for a period of more than twenty six weeks as on the relevant date, the provisions of Regulation 164(3) of the ICDR Regulations governing re-computation of the price of shares shall not be applicable.
- (d) The Bank shall re-compute the price of the relevant shares to be allotted under the Preferential Allotment in terms of the provisions of ICDR Regulations where it is required to do so.
- (e) If the amount payable on account of the re-computation of price is not paid within the time stipulated in ICDR Regulations, the relevant shares to be allotted under the Preferential Allotment shall continue to be locked-in till the time such amount is paid by the allottees.
- (f) The Bank is in compliance with the conditions for continuous listing of equity shares as specified in the listing agreement with the Stock Exchanges and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and circulars and notifications issued by the SEBI there under.

The proposed offer is in the interests of the Company and the Board recommend the passing of the Special Resolution, as set forth in Item No. 13 of this Notice for approval by the Members of the Bank.

Save as aforesaid, none of the Directors and Key Managerial Personnel of the Bank and their relatives in any way are concerned or interested, financially or otherwise, in passing the resolution set out at Item No 13

By Order of the Board of Directors

**Sd/-
Samir P Rajdev
Company Secretary
Membership No. A17849**

Aluva, June 16, 2021

Annexure A

Details of Directors seeking appointment/re-appointment at the 90th Annual General Meeting to be held on July 09, 2021

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2)]

| Name of the Directors | Mr. Shyam Srinivasan | Ms. Shalini Warriar | Ms. Varsha Purandare ** | Mr. Ashutosh Khajuria | Mr. A P Hota |
|--|--|--|---|--|---|
| Date of Birth & Age | 02.02.1962 59 years | 07.06.1966 55 years | 07.12.1958 62 years | 13.07.1960 60 years | 04.08.1956 64 years |
| DIN & Nationality | 02274773 Indian | 08257526 Indian | 05288076 Indian | 05154975 Indian | 00061030 Indian |
| Date of first appointment to the Board | 23.09.2010 | 15.01.2020 | 08.09.2020 | 28.01.2016 | 15.01.2018 |
| Qualification(s) | B.E, PGDM (IIM Kolkata) | B.com and CA | BSc (Chemistry) and Diploma In Business Management | Graduate in Science and Law Post Graduate in Economics | MA (English Literature) and CAIIB |
| Experience in specific functional areas | He started his career with Lucas-Tvs in 1984 and joined Wipro InfoTech Ltd as Regional Sales Manager in 1988. Before coming to Federal bank he worked with Standard Chartered Bank responsible for the strategy, development and management of the Bank's Consumer Banking Business. He was with Standard Chartered Bank's Consumer franchise, Citibank, in areas of Risk, Credit & Treasury Operations, Sales and Customer Service from 1990-2001. He is also a Director in Fedbank Financial Services Ltd and Ageas Federal Life Insurance Co. Ltd | She has over 28 years of banking experience. Prior to joining Federal Bank, she worked with Standard Chartered Bank, a leading multinational Bank. There multiple disciplines were handled by her, across various geographies that included India, Brunei, Indonesia, Singapore and United Arab Emirates. She is also a director on the Board of Ageas Federal Life Insurance Company Limited. | She has varied experience of 36 years in credit, forex, treasury, capital markets, investment banking, SSI and private equity businesses of State Bank of India (SBI) & SBI Capital Markets Ltd (SBICAPS) across geographies domestic & globally. She also served various Boards & Committees of several businesses of SBI and other institutions. She was also the former MD & CEO of SBI Capital Market Limited. Ms. Purandare was the Dy.MD and CCO/CCRO of SBI from May 2014 to November 2015. Presently, she also serves as an Independent Director on the Board of various companies. Currently she is also Director on the Board of Shaily Engineering | 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. He is also a Director in Fedbank Financial Services Ltd. | He has banking experience of over 27 years across Technology and Payment Systems. He has been the MD & CEO of the National Payments Corporation of India over a period of 8 years (from 2009-2017). He also has experience of working in the Boards of Vijaya Bank and Andhra Bank in the past, as RBI Nominee Director. Currently he is also Director on the Board of IDBI Intech Ltd, Motilal Oswal Asset Management Company and NSDL e-Gov Infrastructure Limited, Nearby Technologies Private Limited |

| | | | | | |
|--|--|--|--|--|--|
| | | | Plastics Limited, Tata Capital Limited, Tata Capital Financial Services Limited, Orient Cement Limited, Legal Entity Identifier India Limited, Tata Cleantech Capital Limited, Deepak Fertilizers and Petrochemicals Corporation Limited | | |
| Relationship with any Director(s) or Manager or Key Managerial Personnel of the Company | Not related to any Director or Key Managerial Personnel of the Bank and their relatives. | Not related to any Director or Key Managerial Personnel of the Bank and their relatives. | Not related to any Director or Key Managerial Personnel of the Bank and their relatives. | Not related to any Director or Key Managerial Personnel of the Bank and their relatives. | Not related to any Director or Key Managerial Personnel of the Bank and their relatives. |
| Directorship held in other listed Companies | Nil | Nil | Shaily Engineering Plastics Limited Deepak Fertilizers and Petrochemicals Corporation Limited Orient Cement Limited | Nil | Nil |
| Memberships in the Committees of Board of other listed Companies* | NA | NA | Stakeholders Relationship Committee Member & Chairperson in Shaily Engineering Plastics Limited Audit Committee Member and Stakeholders Relationship Committee Member & Chairperson in Orient Cement Limited | NA | NA |

| | | | | | |
|---|--|---|--|--|--|
| Membership and Chairmanship in the Committees of the Board of the Bank | Chairman 1. Special Committee of the Board for monitoring and follow up of cases of Frauds 2. Review Committee of the Board on Non-Cooperative Borrowers 3. Review Committee of the Board for Willful Defaulters Member 1. Credit Committee 2. Investment & Raising Capital Committee 3. Risk Management Committee 4. Investor Grievance, Share Transfer & Stakeholder Relationship Committee 5. Customer Service, Marketing Strategy and Digital Banking Committee 6. Information Technology & Operations Committee 7. Committee for Human Resource Policy 8. Corporate Social Responsibility Committee | Member 1. Audit Committee 2. Customer Service, Marketing Strategy and Digital Banking Committee 3. Special Committee of the Board for monitoring and follow up of cases of Frauds 4. Information Technology & Operations Committee 5. Corporate Social Responsibility Committee | Member 1. Credit Committee 2. Investment & Raising Capital Committee 3. Customer Service, Marketing Strategy and Digital Banking Committee 4. Information Technology & Operations Committee | Member 1. Credit Committee 2. Investment & Raising Capital Committee 3. Risk Management Committee 4. Stakeholders Relationship Committee 5. Special Committee of the Board for monitoring and follow up of cases of Frauds 6. Corporate Social Responsibility Committee | Chairman 1. Stakeholders Relationship Committee 2. Information Technology & Operations Committee Member 1. Audit Committee 2. Nomination, Remuneration, Ethics & Compensation Committee 3. Corporate Social Responsibility Committee |
| | Number of equity shares held in the Company as on 31.03.2021 | 7,98,595 equity shares as on March 31, 2021 | Nil | Nil | 4,52,000 equity shares as on March 31, 2021 |
| | Number of meetings of the Board attended during the Financial Year 20-21 | 15 | 15 | 6 | 14 |

| | | | | | |
|--|--|--|---|--|--|
| Terms and conditions of re-appointment along with details of remuneration sought to be paid | <p>He was re-appointed as Managing Director and CEO of the Bank for one year w.e.f. September 23, 2020 till September 22, 2021 for which RBI has granted approval vide letter DoR.Appt.No 87/08.38.001/2020-21 dated July 16, 2020, subject to the approval of shareholders of the Bank</p> <p>The Fixed Pay (including perquisites) as approved by RBI made effective from September 23, 2020 is shown in explanatory statement of item no. 6</p> | <p>As per the terms of appointment, she is liable to retire by rotation as per the provisions of Section 152 of the Companies Act, 2013 and being eligible offers himself for re-appointment. She is entitled to receive remuneration as approved by the Members in their meeting held on July 16, 2020.</p> | <p>She was appointed by the Board in its meeting dated September 09, 2020, as an Additional Independent Director of the Bank for five years effective from September 09, 2020</p> <p>The Board in its meeting held on June 16, 2021, recommends for the approval of the Members for her appointment as Independent Director for a period of five years with effect from the date of his appointment by the Board.</p> <p>She is entitled to receive sitting fees and the Bank meets the travelling expenses as well as the boarding and lodging expenses of the Non-Executive Directors/ Independent Directors for attending the meetings of Board /Committees of Board and compensation in the form of profit related commission</p> | <p>He was re-appointed as Executive Director from April 01, 2021 to April 30, 2022 for which RBI has granted approval vide letter DOR.GCA-CB.No. 2145/08.38.001/2020-21 dated January 01, 2021</p> | <p>The Board in its meeting dated June 11, 2021 recommended the re-appointment of Mr. A P Hota as an Independent Director of the Bank for his second term of with effect from July 10, 2021 up to January 14, 2026 (both days inclusive).</p> <p>He is entitled to receive sitting fees and over and above, the Bank meets the travelling expenses as well as the boarding and lodging expenses of the Non-Executive Directors/ Independent Directors for attending the meetings of Board /Committees of Board and compensation in the form of profit related commission</p> |
| Details of last drawn remuneration | During the Financial Year 2020-21, an aggregate amount of Rs. 231.11 Lakhs was paid towards remuneration. | During the Financial Year 2020-21, an aggregate amount of Rs. 108.66 Lakhs was paid towards remuneration. | During the Financial Year 2020-21, an aggregate amount of Rs. 12.00 Lakhs was paid towards commission and fee for attending Board/ Committee Meetings. | During the Financial Year 2020-21, an aggregate amount of Rs.116.62 Lakhs was paid towards remuneration | During the Financial Year 2020-21, an aggregate amount of Rs. 27.50 Lakhs was paid towards commission and fee for attending Board/ Committee Meetings |

**Chairmanship and membership of the Audit Committee and the Stakeholders' Relationship Committee are only considered.*

***Ms. Varsha Purandare was appointed on the Board of the Bank w.e.f September 08, 2020.*

Annexure-B

Brief profile of Directors seeking appointment/re-appointment at the 90th Annual General Meeting to be held on July 09, 2021

Mr. Shyam Srinivasan took charge as the Managing Director & CEO of The Federal Bank Ltd on September 23, 2010. 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.

He 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 his mission to create a culture of Ethics and Excellence in the Bank, which he so believes in.

An administrator of national eminence, he holds key positions in the Industry as follows:

- Chairman of IBA Committee on Member Private Sector Banks.
- Member of the committee on Financial Sector Legislative Reforms set up by Reserve Bank of India.
- Past Chairman of Kerala State Council of Confederation of Indian Industries.
- Honorary fellow & governing council member of Indian Institute of Banking and Finance
- Chairman of Policyholder Protection Committee of IDBI Federal
- Alternate Chairman in the following committees of the Indian Bank's Association:
 - Committee on Risk Management and Basel Implementation
 - Agro Business and MSME

He has been conferred upon the following awards and recognitions in the recent past:

- Exemplary Leadership Award from the Rotary Club
- Rashtriya Udyog Ratna Award instituted by the NEHRDO
- The Greatest Corporate Leaders Of India Award given away by the World HRD Congress
- Business Standard Banker of the Year for 2019-20

Ms. Varsha Purandare is the Independent Director of the Bank. She has varied experience of 36 years in credit, forex, treasury, capital markets, investment banking, SSI and private equity businesses of State Bank of India (SBI) & SBI Capital Markets Ltd (SBICAPS) across geographies domestic & globally. She also served various Boards & Committees of several businesses of SBI and other institutions. She was also the former MD & CEO of SBI Capital Market Limited. Ms. Purandare was the Deputy Managing Director and Chief Credit Officer/ Chief Risk Officer (CCO/CCRO) of State Bank of India ("SBI"), from May 2014 to November 2015. Presently, she also serves as an Independent Director on the Board of various companies.

Mr. Ashutosh Khajuria is the Executive Director of Federal Bank. He oversees the functions of Treasury, Credit & Collections, strategic initiatives and establish the ESG journey of the Bank. He is a Graduate in Science from the prestigious Banaras Hindu University and is a Bachelor in Law as well. He has completed Post Graduation in Economics too. Joined Federal Bank in 2011 as President and Head-Treasury and was later entrusted with the additional responsibility of business

development in the entire network of branches/offices outside Kerala. He brings with him very rich and varied exposure spanning over thirty four years, having worked in State Bank of India covering the entire gamut of banking functions including Treasury, International Banking, Trade Finance, Corporate Banking and Branch Banking. Prior to joining Federal Bank, he was CGM and Head-Treasury in IDBI Bank. Presently, he is also a Director in Fedbank Financial Services Ltd, a Subsidiary of the Bank. He has a very keen eye on the financial markets and features regularly in panel discussions in FEDAI/FIMMDA conferences and also on various television channels. He is also a Director on the Board of Fedbank Financial Services Ltd, subsidiary of the Bank.

Mr. A P Hota is an Independent Director of the Bank. He is a post graduate in English Literature and a Certified Associate in Indian Institute of Bankers. He has banking experience of over 27 years across Technology and Payment Systems. He has been the MD & CEO of the National Payments Corporation of India over a period of 8 years (from 2009-2017). He also has experience of working in the Boards of Vijaya Bank and Andhra Bank in the past, as RBI Nominee Director. Currently he is also Director on the Board of IDBI Intech Ltd, Motilal Oswal Asset Management Company, NSDL e-Gov Infrastructure Limited and Nearby Technologies Private Limited.

Ms. Shalini Warriar was appointed as Executive Director of The Federal Bank Limited with effect from January 15, 2020. She joined the Bank on November 02, 2015 as the Chief Operating Officer, with her primary responsibility being operational excellence, coupled with digital innovation. In May 2019, she took on the additional responsibility of Business Head of Retail Banking Products.

Ms. Shalini Warriar is a member of the Institute of Chartered Accountants of India and stood first at the all India level in 1989. She is also a Certified Associate of Indian Institute of Bankers.

Ms. Warriar has over 28 years of banking experience. Prior to joining Federal Bank, she worked with Standard Chartered Bank, a leading multinational Bank. She handled multiple disciplines there, across various geographies that included India, Brunei, Indonesia, Singapore and United Arab Emirates. She brings first-hand global experience in Branch Banking, Process Management, Service Quality and Client Experience, Project Management, Operations, Technology, and Compliance with special emphasis on Client Due Diligence and Anti Money Laundering.

In her current role, she leads the Bank's initiatives designed to enhance customer experience and operational excellence through automation and digitalization. She is responsible for formulating the Bank's future direction and partner with the Board and the Top Management team to drive strategic initiatives designed to enhance shareholder value, ensuring all the relevant support functions run smoothly and are able to create the right systems to support business growth of the Bank, confirming right support architecture is implemented in the Bank and through which the Bank is able to grow and prosper. She is also responsible for delivering innovative retail products to the existing and prospective customers of the Bank.

She is a well-known banking personality and has represented the Bank at various fintech and technology platforms in India and abroad.

Ms. Warriar is also a Director on the Board of Ageas Federal Life Insurance Company Limited.