

**FEDERAL BANK**

YOUR PERFECT BANKING PARTNER

**THE FEDERAL BANK LIMITED**

CIN: L65191KL1931PLC000368

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

Phone: 0484 - 2622263 Fax: 0484 - 2623119.E-mail: secretarial@federalbank.co.in,

Website: www.federalbank.co.in

**NOTICE TO SHAREHOLDERS**

Notice is hereby given that Ninety Second Annual General Meeting (AGM) of the members of The Federal Bank Limited will be held on Friday, August 18, 2023, 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 Standalone Audited Financial Statement of the Bank for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and the Auditors thereon.
  - b. the Consolidated Audited Financial Statement of the Bank for the financial year ended March 31, 2023, together with the Report of the Auditors thereon.
2. To declare a final dividend of Rs. 1.00 per equity share of Rs.2/- each for the Financial Year ended March 31, 2023.
3. To appoint a director in place of Mr. Shyam Srinivasan (DIN: 02274773), who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Joint Statutory Auditors and to fix their remuneration.

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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any and the 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, guidelines and circulars issued by the Reserve Bank of India ("RBI"), from time to time and in terms of their confirmation with regard to their eligibility to be appointed as Statutory Auditors pursuant to Section 141 of the Companies Act, 2013 and applicable rules and as per the approval granted by RBI, Members of the Bank be and hereby appoint M/s. Suri & Co, Chartered Accountants (Registration No. 004283S), Chennai for a period of three (3) years together with M/s. MSKA & Associates, Chartered Accountants (Registration No. 105047W), Mumbai as Joint Statutory Auditors of the Bank from the conclusion of 92<sup>nd</sup> AGM till the conclusion of 95<sup>th</sup> AGM on such terms and conditions, including remuneration, as may be approved by the Board or Audit Committee of the Board of the Bank, subject to the approval of the RBI every year.

## Special Businesses

### 5. To take on record RBI approval for appointment of Mr. A P Hota (DIN: 02593219) as Part- Time Chairman of the Bank and to approve his remuneration.

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

**“RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 2013 (the 'Act') and the rules made thereunder, Section 10B and other applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force), and the rules, circulars and guidelines issued by the Reserve Bank of India, and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to the provisions of the Articles of Association of the Bank, and the approval granted by the Reserve Bank of India ('RBI') vide letter DoR.GOV.No.1676/08.38.001/2023-24 dated June 26, 2023, members of the Bank be and are hereby take on record the approval received from RBI including the terms of appointment of Mr. A P Hota (DIN: 02593219) as Part-Time Chairman of the Bank with effect from June 29, 2023, till January 14, 2026, and approve the payment of remuneration of Rs. 25,00,000/- (Rupees Twenty Five lakhs only) per annum to Mr. A P Hota”.

### 6. Appointment of Mr. Harsh Dugar, Group President & Country Head- Wholesale Banking (DIN: 00832748) as an Executive Director of the Bank (KMP)

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, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the other relevant Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) along with 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') in this regard from time to time and the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and the Articles of Association ("Articles") of The Federal Bank Ltd. (hereinafter referred to as "the Bank"), as recommended by Nomination, Remuneration, Ethics and Compensation Committee and Board and as per the approval granted by the RBI vide its letter no. DoR.GOV.No.1627/08.38.001/2023-24 dated June 22, 2023, Mr. Harsh Dugar, Group President & Country Head- Wholesale Banking (DIN: 00832748) who was appointed as an Additional Executive Director (Key Managerial Personnel) with effect from June 23, 2023, in terms of Section 161(1) of the Act and whose term of office expires at the Annual General Meeting, 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 appointed as an Executive Director of the Bank (Key Managerial Personnel), for a period of three years with effect from June 23, 2023, on such remuneration, terms and conditions as detailed in the explanatory statement to this notice.”

**“RESOLVED FURTHER THAT** consent of the members of the Bank be and is hereby accorded for payment of variable pay comprising of Cash and Non-cash Components at the end of each financial year, which is linked to Organizational Performance and Individual Performance, determined by Nomination, Remuneration, Ethics and Compensation Committee, Board of Directors and as may be approved by RBI, to Mr. Harsh Dugar, during his tenure as Executive Director (KMP) of the Bank.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Bank be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary, expedient and incidental thereto and to delegate all or any of its powers herein conferred to any Committee of Board of Directors of the Bank and/ or director(s) and/ or Executives of the Bank or any Committee of the Executives of the Bank to give effect to the aforesaid resolution.”

**7. Payment of Performance Linked Incentive to Mr. Ashutosh Khajuria (DIN: 05154975), Executive Director (Retired)**

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 subject to the approval of RBI, the payment of performance linked incentive of ₹ 28,25,000/- (Rupees Twenty Eight Lakhs Twenty Five Thousand only) to Mr. Ashutosh Khajuria for the performance period 2022-23 be and is hereby approved.”

**8. Payment of Compensation by way of Fixed Remuneration to Non-Executive Directors (excluding the Non-Executive Part-time Chairman)**

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

**“RESOLVED THAT** in supersession of the earlier resolution passed by the Members of The Federal Bank Limited (the ‘Bank’) at the 86<sup>th</sup> Annual General Meeting held on July 14, 2017 approving the payment of profit related commission to the Non-Executive/ Independent Directors (other than Part Time Chairman) of the Bank and pursuant to the relevant provisions of Sections 197 and 198 and other applicable provisions, if any, of the Companies Act, 2013, as amended, read with the relevant Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, the applicable provisions, if any, of the Banking Regulation Act, 1949, as amended, the circular issued by the Reserve Bank of India (the “RBI”) having reference no. RBI/2021-22/24 DoR.GOV.REC.8/29.67.001/2021-22 dated 26 April, 2021 on Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board, and the various circulars and guidelines issued by the RBI, in this regard, from time to time, any other applicable laws (including any statutory amendment(s), modification(s), variation(s) or re- enactment(s) thereto, for the time being in force) and the provisions of the Articles of Association of the Bank, the consent of the Members of the Bank be and is hereby accorded for the payment of compensation to each of the Non-Executive/Independent Directors (other than the Non-Executive Part Time Chairman) of the Bank, by way of fixed remuneration of Rs 20,00,000/- (Rupees Twenty Lakh Only) per annum which is commensurate with the individual director’s responsibilities and demands on time, with effect from the FY 2022-23.”

**“RESOLVED FURTHER THAT** the aforementioned remuneration shall be in addition to the sitting fees payable to the Non-Executive/Independent Directors for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors of the Bank and reimbursement of expenses for participation in the Board and other meetings.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Bank be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary, expedient and incidental thereto and to delegate all or any of its powers herein conferred to any Committee of Board of Directors of the Bank and/ or director(s) and/ or Executives of the Bank or any Committee of the Executives of the Bank to give effect to the aforesaid resolution.”

#### **9. Amendments to the Articles of Association (AOA) of the Bank**

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

**“RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions, if any, of Companies Act, 2013, read with applicable Rules and Regulations made thereunder (including any statutory modifications or re-enactment thereof, for the time being in force), Banking Regulation Act, 1949, Banking Laws (Amendment) Act, 2012, guidelines of Reserve Bank of India (“RBI”) and subject to the approval of statutory authority as applicable, if any, consent of the Members, be and is hereby accorded for the alteration of the Bank's Articles of Association in the manner and to the extent hereinafter provided:

To insert a new Article as **Article 63C - Appointment of Nominee Director by Debenture Trustee in certain circumstances**”, to read as shown below:

##### **Article 63C - Appointment of Nominee Director by Debenture Trustee in certain circumstances**

If it is provided by any Trust Deed executed in connection with any issue of non-convertible debt securities of the Bank, that the Debenture Trustee(s) shall have powers to appoint a nominee Director on the Board of the Bank subject to the occurrence of events specified in the Trust Deed, then in the case of any and every such issue of non-convertible debt securities, the Debenture Trustee(s) may exercise such power from time to time and appoint a nominee director accordingly. The Debenture Trustee(s) may at any time and from time to time remove the nominee director appointed by it and may in the event of such removal and also in the event of such nominee director ceasing to hold office for any reason whatsoever including resignation or death, appoint another nominee director to fill up the vacancy. Subject to applicable law/regulations a nominee director appointed in terms of this article shall not be bound to hold any qualification shares nor shall he be liable to retire by rotation.

Subject to the applicable law/regulations, the Bank shall, at the earliest and not later than one month from the date of receipt of nomination from the Debenture Trustee(s) as mentioned above, appoint the person nominated by the Debenture Trustee as a nominee director on its Board of Directors.

#### **10. 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 for the 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 approval(s), 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 up to 7,26,82,048 (Seven Crore Twenty Six Lakhs Eighty Two Thousand and Forty Eight) equity shares of face value Rs. 2/- (Rupees Two only) each (“Shares”) at an issue price of Rs. 131.91 ( Rupees One Hundred and Thirty-One and Paise Ninety-one only) per share for a consideration not exceeding an aggregate amount of Rs. 9,58,74,88,951.68 (Rupees Nine Hundred Fifty Eight Crores Seventy Four Lakhs Eighty Eight Thousand Nine Hundred Fifty One and Paise Sixty Eight only) 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:

<b>Sl. No.</b>	<b>Name of Allottees</b>	<b>Permanent Account Number (PAN)</b>	<b>No. of Shares</b>	<b>Subscription Amount (in Rs.)</b>
1	International Finance Corporation	Exempted Category	6,21,63,596	8,19,99,99,948.36
2	IFC Financial Institutions Growth Fund, LP (directly and/or through its affiliates)	AAHFI5038D	52,59,226	69,37,44,501.66
3	IFC Emerging Asia Fund, LP (directly and/or through its affiliates)	AAHFI4959F	52,59,226	69,37,44,501.66
<b>Total</b>			<b>7,26,82,048</b>	<b>9,58,74,88,951.68</b>

**“RESOLVED FURTHER THAT** the relevant date for the determination for the issue price for the Shares as per the ICDR Regulations is July 19, 2023”.

**“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.”

## 11. 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 Non-Convertible Securities) Regulations, 2021, Operational Circular for issue and listing of Non-Convertible Securities, Securitized Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper, as amended and updated from time to time and other applicable laws, rules and regulations, 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 Rs.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”.

## 12. To approve the increase in borrowing limit

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

**“RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and other applicable rules, if any, (including any statutory modification(s) or re-enactment thereof for the time being in force) and in supersession of the resolution limiting the borrowing authority of the Board of Directors of the Bank (“Board”) up to Rs. 12,000 Crore (Rupees Twelve Thousand Crore only) over and above the Paid-up Capital, Free Reserves including Securities Premium of the Bank passed by the Bank at the Annual General Meeting held on August 10, 2018, the Board be and is hereby authorized to borrow moneys from time to time such that the amount of such moneys borrowed and remaining to be repaid shall in the aggregate not exceed Rs. 18,000 Crore (Rupees Eighteen Thousand Crore only) over and above the Paid-up Capital, Free Reserves including Securities Premium of the Bank, apart from temporary loans obtained from the company’s bankers in the ordinary course of business, notwithstanding that the moneys to be borrowed, together with the monies already borrowed by the Bank may exceed the aggregate of the

Bank's Paid up Capital, Free Reserves including Securities Premium, that is to say, reserves not set apart for any specific purposes".

### 13. To approve adoption of The Federal Bank Limited Employee Stock Option Scheme 2023

To consider, and if thought fit, to pass, with or without modifications, the following resolution as Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), and the Rules thereunder, including any statutory modification(s) or re-enactment(s) of the Act, applicable regulations of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 including any statutory modification(s) or re-enactment thereof) (hereinafter referred to as "SEBI Regulations"), the applicable provisions of the Foreign Exchange Management Act, 1999 (FEMA), any rules, regulations and guidelines issued by the Reserve Bank of India, including any amendments(s), statutory modifications(s) or re-enactment(s) thereof, the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof, the provisions of any regulations / guidelines prescribed by the Reserve Bank of India ("RBI"), the Memorandum and Articles of Association of the Bank for the time being in force, and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent of the members of the Bank be and is hereby accorded to adopt and implement 'The Federal Bank Limited Employee Stock Option Scheme 2023' ("ESOS 2023"), the salient features of which are detailed in the Explanatory Statement to this Notice, and authorise the Board of Directors of the Bank (hereinafter referred to as the "Board" which term shall be deemed to include any committee, including the Nomination, Remuneration, Ethics and Compensation Committee which the Board has designated as Compensation Committee to exercise its powers, including the powers, conferred by this resolution), to offer, grant and issue from time to time, in one or more tranches, up to 0.71% of the paid-up equity share capital of the Bank i.e. 1,50,25,025 employee stock options convertible into 1,50,25,025 equity shares of face value of Rs. 2 /- (Rupees Two only) each fully paid up, ranking *pari passu* with the existing equity shares of the Bank for all purposes and in all respects, including payment of dividend, to or for the benefit of the employees, exclusively working in India or outside India, who are in the employment of the Bank and its Group companies including its Subsidiary Company(ies) / Associate Company(ies) (Present and Future, if any) including any Director, whether whole-time or otherwise (other than the employee who is Promoter or person belong to the Promoter Group, Independent Directors of the Bank and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Bank), on such terms and conditions as the Board (including Nomination, Remuneration, Ethics and Compensation Committee) may decide under the ESOS 2023 in accordance with the SEBI Regulations and other applicable laws in force.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issue, bonus issue, merger, demerger, sale of division, change in capital structure and others, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under law including issue of additional stock options of the Bank to be issued to the Employees for the purpose of making a fair and reasonable adjustment to the stock options issued to them. Further the above ceiling in terms of number of equity shares / stock options shall be deemed to be increased in proportion to the additional equity shares issued in the event of aforesaid corporate action(s).

**RESOLVED FURTHER THAT** in case the equity shares of the Bank are either sub-divided or consolidated, then the number of equity shares to be issued by the Bank and the price of acquisition



payable by the option grantees under the ESOS 2023 shall automatically stand increased or reduced, as the case may be, in the same proportion as the present face value of Rs. 2/- (Rupees Two only) per equity share shall bear to the revised face value of the equity shares of the Bank after such sub-division or consolidation, without affecting any other rights or obligations of the said grantees and the ceiling in terms of number of shares / options specified above shall be deemed to be adjusted accordingly.

**RESOLVED FURTHER THAT** the Bank shall conform to the accounting policies prescribed from time to time under the SEBI Regulations and any other applicable laws and regulations to the extent relevant and applicable to ESOS 2023.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take requisite steps for listing of the equity shares allotted under the ESOS 2023 on the Stock Exchanges where the equity shares of the Bank are listed in due compliance with SEBI Regulations and other applicable laws.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things, as it may, at its absolute discretion, deem necessary including authorisation or issuance of directions to appoint merchant bankers, advisors, solicitors, consultants or representatives, being incidental to the effective implementation and administration of the ESOS 2023 and make applications to the appropriate authorities for their requisite approvals and settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to devise, formulate, modify, change, vary, alter, amend, suspend or terminate the ESOS 2023, subject to compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members of the Bank and execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to the ESOS 2023 and to do all other things incidental to and ancillary thereof.”

#### **14. To approve adoption of The Federal Bank Limited Employee Stock Incentive Scheme 2023**

To consider, and if thought fit, to pass, with or without modifications, the following resolution as Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), and the Rules thereunder, including any statutory modification(s) or re-enactment(s) of the Act, applicable regulations of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 including any statutory modification(s) or re-enactment thereof) (hereinafter referred to as “SEBI Regulations”), the applicable provisions of the Foreign Exchange Management Act, 1999 (FEMA), any rules, regulations and guidelines issued by the Reserve Bank of India, including any amendment(s), statutory modifications(s) or re-enactment(s) thereof, the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof, the provisions of any regulations / guidelines prescribed by the Reserve Bank of India (“RBI”), the Memorandum and Articles of Association of the Bank for the time being in force, and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent of the members of the Bank be and is hereby accorded to adopt and implement ‘The Federal Bank Limited – Employee Stock Incentive Scheme 2023 (“ESIS 2023”), the salient features of which are detailed in the Explanatory Statement to this Notice, and authorise the Board of Directors of the Bank (hereinafter referred to as the “Board” which term shall be deemed to include any committee, including the Nomination, Remuneration, Ethics and Compensation Committee which the Board has designated as Compensation Committee to exercise its powers, including the powers, conferred by this resolution), to offer, grant and issue from time to time, in one or more tranches, up to 0.30% of

the paid-up equity share capital of the Bank i.e. 63,48,603 employee stock options convertible into 63,48,603 equity shares of face value of Rs. 2/- (Rupees Two only) each fully paid up, ranking *pari passu* with the existing equity shares of the Bank for all purposes and in all respects, including payment of dividend, to or for the benefit of the employees, exclusively working in India or outside India, who are in the employment of the Bank and its Group companies including its Subsidiary Company(ies) / Associate Company(ies) (Present and Future, if any) including any Director, whether whole-time or otherwise (other than the employee who is Promoter or person belong to the Promoter Group, Independent Directors of the Bank and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Bank), on such terms and conditions as the Board (including Nomination, Remuneration, Ethics and Compensation Committee) may decide under the ESIS 2023 in accordance with the SEBI Regulations and other applicable laws in force.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issue, bonus issue, merger, demerger, sale of division, change in capital structure and others, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under law including issue of additional stock options of the Bank to be issued to the Employees for the purpose of making a fair and reasonable adjustment to the stock options issued to them. Further the above ceiling in terms of number of equity shares / stock options shall be deemed to be increased in proportion to the additional equity shares issued in the event of aforesaid corporate action(s).

**RESOLVED FURTHER THAT** in case the equity shares of the Bank are either sub-divided or consolidated, then the number of equity shares to be issued by the Bank and the price of acquisition payable by the option grantees under the ESIS 2023 shall automatically stand increased or reduced, as the case may be, in the same proportion as the present face value of Rs. 2/- (Rupees Two only) per equity share shall bear to the revised face value of the equity shares of the Bank after such sub-division or consolidation, without affecting any other rights or obligations of the said grantees and the ceiling in terms of number of shares / options specified above shall be deemed to be adjusted accordingly.

**RESOLVED FURTHER THAT** the Bank shall conform to the accounting policies prescribed from time to time under the SEBI Regulations and any other applicable laws and regulations to the extent relevant and applicable to the ESIS 2023.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take requisite steps for listing of the equity shares allotted under the ESIS 2023 on the Stock Exchanges where the equity shares of the Bank are listed in due compliance with SEBI Regulations and other applicable laws.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things, as it may, at its absolute discretion, deem necessary including authorisation or issuance of directions to appoint merchant bankers, advisors, solicitors, consultants or representatives, being incidental to the effective implementation and administration of the ESIS 2023 and make applications to the appropriate authorities for their requisite approvals and settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to devise, formulate, modify, change, vary, alter, amend, suspend or terminate the ESIS 2023, subject to compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members of the Bank and execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to the ESIS 2023 and to do all other things incidental to and ancillary thereof.”

**15. To approve extension of The Federal Bank Limited Employee Stock Option Scheme 2023 and The Federal Bank Limited Employee Stock Incentive Scheme 2023 to employees of subsidiary company(ies) / associate company(ies)**

To consider, and if thought fit, to pass, with or without modifications, the following resolution as Special Resolution:

**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Memorandum and Articles of Association of the Bank and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI (SBEBSE) Regulations") Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations"), the provisions of any regulations / guidelines prescribed by the Reserve Bank of India ("RBI"), including any statutory modification(s) or re-enactment of the Act for the time being in force and subject to such other approvals, permissions and sanctions as may be necessary, consent of the members of the Bank be and is hereby accorded to extend the benefits and applicability of The Federal Bank Limited Employee Stock Option Scheme 2023 (ESOS 2023) and The Federal Bank Limited Employee Stock Incentive Scheme 2023 (ESIS 2023) referred to in Resolution No. 13 and 14 respectively, to such person(s), exclusively working in India or outside India, who are in employment, whether whole time or otherwise, of the Group Company(ies) including Subsidiary Company(ies) / Associate Company(ies) (present and future, if any) of the Bank, including any Director thereof [other than Promoter(s) or persons belonging to the Promoters Group of the Bank, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Bank], whether whole-time or otherwise, on such terms and conditions as may be fixed or determined by the Board (including Nomination, Remuneration, Ethics and Compensation Committee) in accordance with the provisions of the Scheme, SEBI SBEBSE Regulations and in due compliance with such other applicable laws or guidelines issued by the relevant authority(ies), as may be applicable".

**RESOLVED FURTHER THAT** the Board or Nomination, Remuneration, Ethics and Compensation Committee be and are hereby authorized on behalf of the Bank to make and carry out any modifications, changes, variations, alterations or revisions in the Scheme or to suspend, withdraw or revive the ESOS 2023 and ESIS 2023, in accordance with applicable laws prevailing from time to time, by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose including taking all the necessary steps for listing of the equity shares allotted on the Stock Exchanges as per the provisions of the SEBI Listing Regulations or any other applicable laws/regulations with the concerned Stock Exchanges, as and when required and with power on behalf of the Bank to settle any questions, difficulties, or doubts that may arise in this regard without requiring to secure any further consent or approval of the members of the Bank".

**RESOLVED FURTHER THAT** the Board or Nomination, Remuneration, Ethics and Compensation Committee be and are hereby further authorized to issue and allot Equity Shares in one or more tranches upon exercise of the options from time-to-time in accordance with the Scheme and such equity shares shall rank *pari-passu* in all respects with the then existing Equity Shares of the Bank".

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issue, bonus issue, merger, demerger, sale of division, change in capital structure and others, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under law including issue of additional stock options of the Bank to be issued to the Employees of the Group Company(ies) including Subsidiary Company(ies) / Associate Company(ies) for the purpose of making a fair and reasonable adjustment to the stock options issued to them. Further the above ceiling in terms of number of equity shares / stock options shall be deemed to be increased in proportion to the additional equity shares issued in the event of aforesaid corporate action(s)".

**RESOLVED FURTHER THAT** in case the equity shares of the Bank are either sub-divided or consolidated, then the price of stock option payable by the option grantees under ESOS 2023 and ESIS 2023 shall automatically stand increased or reduced, as the case may be, in the same proportion as the present face value of Rs. 2/- (Rupees two only) per equity share shall bear to the revised face value of the equity shares of the Bank after such sub-division or consolidation, without affecting any other rights or obligations of the said option grantees and the ceiling in terms of number of shares specified above shall be deemed to be adjusted accordingly.

**RESOLVED FURTHER THAT** the Bank shall confirm to the accounting policies prescribed from time-to-time under any applicable laws and regulations to the extent relevant and applicable to ESOS 2023 and ESIS 2023”.

**RESOLVED FURTHER THAT** any Director or the Bank Secretary be and is hereby severally authorized to do all such acts, deeds and things, as they may in their absolute discretion deem necessary, being incidental to the effective implementation and administration of ESOS 2023 and ESIS 2023, as also to prefer applications to the appropriate authorities, as also to initiate all necessary actions for the preparation and filing, if required, with SEBI/Stock Exchange(s), and all other documents required to be filed in connection therewith and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard.”

By Order of the Board of Directors

Sd/-

Samir P Rajdev

Company Secretary

Membership No. A17849

Aluva, July 21, 2023

## Notes

1. The Ministry of Corporate Affairs (“MCA”) inter-alia vide its General Circular Nos. 14/ 2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, followed by General Circular Nos. 20/2020 dated May 5, 2020, and subsequent circulars issued in this regard, the latest being 10/2022 dated December 28, 2022 (collectively referred to as “MCA Circulars”) has permitted the holding of the Annual General Meeting through Video Conferencing (“VC”) or through Other Audio-Visual means (“OAVM”), without the physical presence of the Members at a common venue. The Securities and Exchange Board of India (“SEBI”) also vide its Circulars dated May 12, 2020, January 15, 2021, May 13, 2022, and subsequent circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05 2023 (“SEBI Circular”) has provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015 (“Listing Regulations”). In compliance with these Circulars, provisions of the Act and the Listing Regulations, the 92<sup>nd</sup> AGM of the Bank is being conducted through VC/ OAVM facility, which does not require physical presence of members at a common venue and the deemed venue of the AGM shall be the Registered Office of the Bank.
2. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 (“the Act”), in respect of the Special Business under Item nos. 4 to 15 set above and 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 appointment/re-appointment at this AGM are also annexed to this Notice.
3. In terms of the provisions of Section 152 of the Act, Mr. Shyam Srinivasan, Managing Director retires by rotation at the Meeting.

Mr. Shyam Srinivasan is interested in the Ordinary Resolution set out at Item No. 3 of the Notice with regard to his re-appointment.

4. Pursuant to the provisions of the 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 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 Attendance Slip and Proxy Form are not annexed to this Notice. In pursuance of Sections 112 and 113 of the Act, representatives of the Corporate Members may be appointed for the purpose of voting through remote e-voting or for participation and voting in the AGM held through VC or OAVM
5. Since the 92<sup>nd</sup> AGM is being held through VC/ OAVM facility, the Route Map is not annexed in this Notice.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Bank at [www.federalbank.co.in](http://www.federalbank.co.in) The Notice can also be accessed from the website of the Stock Exchanges i.e., BSE Limited, and The National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively, and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e., [www.evoting.nsd.com](http://www.evoting.nsd.com).

7. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (“ICSI”) and Regulation 44 of Listing Regulations read with MCA Circulars, as amended, the Bank is providing remote e-Voting facility to its members in respect of the business to be transacted at the 92<sup>nd</sup> AGM and facility for those members participating in the 92<sup>nd</sup> AGM to cast vote through e-Voting system during the said AGM. For this purpose, NSDL will be providing facility for voting through remote e-Voting, for participation in the 92<sup>nd</sup> AGM through VC/ OAVM facility and e-Voting during the 92<sup>nd</sup> AGM. Members may note that NSDL may use third party service provider for providing participation of the members through VC/ OAVM facility.
8. The Bank has fixed Friday, August 11, 2023, as the 'Cut-off Date' for determining entitlement of members to final dividend for the Financial Year ended March 31, 2023, if approved at the AGM.
9. The Register of Members of the Bank will remain closed from Saturday, August 12, 2023, to Friday, August 18, 2023 (both days inclusive) for the purpose of AGM.
10. Any person who is not a member on the cut-off date should treat this notice for information purposes only.
11. The recorded transcript of the AGM will be hosted on the website of the Bank.
12. 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 relodged 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, 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.
13. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed dividend account; exchange of securities certificate; sub-division of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Bank’s website at [www.federalbank.co.in/shareholder-information](http://www.federalbank.co.in/shareholder-information). It may be noted that any service request can be processed only after the folio is KYC Compliant.

Members holding equity shares of the Bank in physical form are requested to kindly get their equity shares converted into demat/electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/ issuance of equity shares in physical form have been disallowed by SEBI.

14. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Bank of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant ('DP') and holdings should be verified from time to time.
15. Attendance of the Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

#### **DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE**

16. In compliance with the MCA and SEBI Circulars, the Notice of the AGM and the Annual Report for the Financial Year 2023 are being sent through electronic mode to those Members whose e-mail addresses are registered with the Bank/ Depositories. Members may note that Notice of the AGM and the Annual Report for the Financial Year 2023 will also be available on the Bank's website at [www.federalbank.co.in](http://www.federalbank.co.in)., websites of the Stock Exchanges, i.e., BSE Limited and The National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and <https://www.nseindia.com/> respectively, and on the website of NSDL at <https://www.evoting.nsdl.com/>
17. 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, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc:
  - a. For shares held in electronic form: to their Depository Participants (DPs)
  - b. For shares held in physical form: to RTA having address at 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](mailto:csdstd@integratedindia.in)) Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021. The members may note that the format of ISR -1 is available at [www.integratedindia.in/corporate-container.aspx](http://www.integratedindia.in/corporate-container.aspx)
18. In case of joint holders attending the AGM, 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.
19. Members seeking any information with regard to the Accounts or any matter to be placed at the AGM, Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Act, and relevant documents referred to in the accompanying Notice and in the Explanatory Statement are requested to write to the Bank on or before August 17, 2023 through e-mail on [agm@federalbank.co.in](mailto:agm@federalbank.co.in). The same will be replied by the Bank suitably.
20. 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.

21. All documents referred to in the notice are open for inspection at the Registered Office of the Bank and electronically on all working days between 10.00 AM and 3.00 PM up to the date of the Annual General Meeting.

#### **FINAL DIVIDEND PAYMENT**

22. If the final dividend, as recommended by the Board of Directors, if approved at the AGM, payment of such dividend subject to deduction of tax at source will be made on or after August 24, 2023, by way of electronic mode or through physical dividend warrants 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, August 11, 2023.
  - 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 end of day on Friday, August 11, 2023.
23. SEBI has made it mandatory for all Companies to use the bank account details furnished by the Depositories and the bank account details maintained by the Bank’s Registrars and Transfer Agents (RTA), for payment of dividend to Members electronically. The Bank has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through Electronic Clearing Service (ECS)/ National Electronic Clearing Service (NECS)/ Automated Clearing House (ACH)/ Real Time Gross Settlement (RTGS)/ Direct Credit/ IMPS/ NEFT etc.

To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Members holding shares in physical form are requested to submit particulars of their Bank accounts in ‘Form ISR – 1’ along with the original cancelled cheque bearing the name of the Member to RTA/ Bank to update their bank account details and all the eligible shareholders holding shares in demat mode are requested to update with their respective DPs before Tuesday, August 15, 2023, their correct Bank Account Number, including 9 Digit MICR Code and 11 digit IFSC Code, e-mail ID and mobile no(s). Members holding shares in physical form may communicate these details to RTA, having address at 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), before Tuesday, August 15, 2023 by quoting the reference folio number and attaching photocopy of the cheque leaf of their active bank account and a self-attested copy of their PAN card.

#### **UNCLAIMED DIVIDEND & IEPF RELATED INFORMATION**

24. Members who have not encashed the dividend warrants for the financial year ended 2015-16 (Final) and/or any subsequent years are requested to write to the Bank giving necessary details along with claimant’s proof of identity and address. In this connection, the company has placed the names of such persons who has not claimed dividend since ended 2015-16 (Final) on the website of the Bank and the shareholders can view the details at [www.federalbank.co.in/unclaimed-dividend-warrants](http://www.federalbank.co.in/unclaimed-dividend-warrants).
25. As per provisions of Section 124 of Companies Act, 2013, 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. 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](http://www.iepf.gov.in). For details, please refer to Corporate Governance Report which is a part of this Annual Report and Bank's website, [www.federalbank.co.in/unclaimed-dividend-warrants](http://www.federalbank.co.in/unclaimed-dividend-warrants).

26. The details of unpaid and unclaimed dividends lying with the Bank as on March 31, 2023, are uploaded on the website of the Bank and can be accessed through the link [www.federalbank.co.in/unclaimed-dividend-warrants](http://www.federalbank.co.in/unclaimed-dividend-warrants).

Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Bank will transfer to the IEPF Authority, during financial year 2023- 24, all shares in respect of which dividend had remained unpaid or unclaimed for seven (7) consecutive years or more as on the due date of transfer, i.e., September 17, 2023.

Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from the IEPF Authority by following the procedure set out in IEPF Rules.

Details of dividend declared for the financial years from 2015-16 onwards are available in the Corporate Governance Report of the Bank.

27. The Company had released an Advertisement dated June 15, 2023, in National Daily viz., Financial Express and Regional language daily viz., Deepika for transferring unpaid / unclaimed dividend and unclaimed shares of the Company to Investor Education and Protection Fund (IEPF) Account as per Section 124(6) of the Companies Act, 2013. The Bank had also sent individual communication dated June 13, 2023, to the shareholders concerned whose dividend remains unpaid or unclaimed for a period of Seven (7) consecutive years since 2015, at their registered address and shares are liable to be transferred to IEPF account under the aforesaid Rules, for taking appropriate action(s) by the shareholder concerned.
28. For any communication, the shareholders may also send requests to the Bank's e-mail ID: [secretarial@federalbank.co.in](mailto:secretarial@federalbank.co.in)
29. Members are requested to send all communications relating to shares and unclaimed dividends, change of address, bank details, e-mail address etc. to the RTA at the following address.

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](mailto:csdstd@integratedindia.in)

If the shares are held in electronic form, then change of address and change in the bank accounts etc., should be furnished to their respective Depository Participants.

30. Pursuant to the Income Tax Act, 1961 as amended, dividend income is taxable in the hands of the shareholders and the Bank is required to deduct tax at source on dividend paid to the Members at the prescribed rates. The Members of the Bank are requested to kindly go through the important

communication of the Bank with respect to deduction of tax at source on dividend which is available on the Bank's website at [www.federalbank.co.in/shareholder-information](http://www.federalbank.co.in/shareholder-information).

31. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, SS-2 issued by the ICSI and Regulation 44 of the Listing Regulations read with the MCA Circulars, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice.

32. The Bank has fixed Friday, August 11, 2023 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.

### 33. 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), SEBI and MCA Circulars in this regard the Bank is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. 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 e-voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by NSDL.

b. In terms of SEBI circular no SEBI/HO/CFD/CMD/CIR/P/2020/242 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 advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

c. The remote e-voting period commences on Tuesday, August 15, 2023 (9:00 a.m. IST) and ends on Thursday, August 17, 2023 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on August 11, 2023, 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, August 15, 2023, to August 17, 2023, 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.

d. 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.

e. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Bank as on the cut-off date.

f. The Board of Directors have appointed Mr. M. Damodaran (Membership No. F5837, CP No. 5081) or in his absence, Ms. J. Kalaiyarasi (Membership No. A 29861, CP No. 19385) of M/s. M Damodaran & Associates LLP, Practising Company Secretaries as the Scrutiniser to scrutinise the voting at the meeting and remote e-voting process in a fair and transparent manner.

- g. Any person, who acquires shares of the Bank and become member after July 21, 2023, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you could reset your password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on 022 - 4886 7000 and 022 - 2499 7000.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING THE VIRTUAL AGM ARE AS UNDER:**

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:





**STEP 1: ACCESS TO NSDL E-VOTING SYSTEM**

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

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 advised to update their mobile number and email Id in their demat accounts 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"> <li>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ 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 “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e., NSDL</b> 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 &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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 <b>e-Voting service provider i.e. NSDL</b></li> </ol>

	<p>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 &amp; voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; align-items: center;"> <div style="text-align: center; margin-right: 20px;">  App Store </div> <div style="text-align: center; margin-right: 20px;">  Google Play </div> </div> <div style="display: flex; justify-content: center; align-items: center; margin-top: 10px;"> <div style="text-align: center; margin-right: 20px;">  </div> <div style="text-align: center;">  </div> </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing my Easi username &amp; password.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>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 &amp; voting during the meeting.</p>

**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.**

<b>Login type</b>	<b>Helpdesk details</b>
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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for e-Voting and joining virtual meetings 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:

<b>Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
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 company. 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:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) 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.

- c) How to retrieve your 'initial password'?
- (i) 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'.
  - (ii) 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:
  - a) 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](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) 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.

## **STEP 2: CAST YOUR VOTE ELECTRONICALLY AND JOIN GENERAL MEETINGS ON NSDL E-VOTING SYSTEM.**

### **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 company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join 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

### **GENERAL INSTRUCTIONS / INFORMATION FOR MEMBERS FOR VOTING ON THE RESOLUTIONS:**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [kjr@mdassociates.co.in](mailto:kjr@mdassociates.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. 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](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Mr. Amit Vishal at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**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**

1. 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 RTA, [csdstd@integratedindia.in](mailto:csdstd@integratedindia.in).
2. 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 [csdstd@integratedindia.in](mailto:csdstd@integratedindia.in). If you are an Individual shareholder 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 meetings for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.

**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 AGM shall be the same person mentioned for Remote e-voting.

**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" placed under "Join meeting" menu against Bank name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Bank will be displayed. Please note that the 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. Members are encouraged to join the Meeting through Laptops for better experience.
- c. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d. 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.
- e. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least seven days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [agm@federalbank.co.in](mailto:agm@federalbank.co.in). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance seven days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [agm@federalbank.co.in](mailto:agm@federalbank.co.in). These queries will be replied to by the Bank suitably by email.
- f. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

#### **DECLARATION OF VOTING RESULTS**

- a. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-Voting and make, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or to a person authorized by the Chairman in writing who shall countersign the same.
- b. The Chairman or the person authorized by him in writing shall forthwith on receipt of the consolidated Scrutinizer's Report, declare the Results of the voting. The Results declared, along with the Scrutinizer's Report, shall be placed on the Bank's website and on the website of NSDL immediately after the results is declared and communicated to the Stock Exchanges where the equity shares of the Bank are listed.
- c. Subject to the receipt of requisite number of votes, the Resolutions forming part of the Notice of Annual General Meeting shall be deemed to be passed on the date of the AGM i.e., Friday, August 18, 2023.

#### **OTHER INFORMATION**

- d. The Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by allowing Companies to send documents to their Members in electronic mode. To support this green initiative and to receive communications from the Bank in electronic mode, Members who have not registered their e-mail addresses and are holding shares in physical form are requested to contact the RTA of the Bank and register their e-mail address. Members holding shares in demat form are requested to contact their DPs. Members may please note that notices, annual reports, etc. will be available on the Bank's website at [www.federalbank.co.in](http://www.federalbank.co.in). Members will be entitled to receive the said documents in physical form free of cost at any time upon request.



- e. All correspondence relating to shares and dividend should be addressed to the Bank's Registrars and 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, e-mail: [csdstd@integratedindia.in](mailto:csdstd@integratedindia.in).

**By Order of the Board of Directors**

**Sd/-**

**Samir P Rajdev**

**Company Secretary**

**Membership No. A17849**

**Aluva, July 21, 2023**

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

The following Explanatory Statements, as required under Section 102 of the Companies Act, 2013 ('the Act') and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations'), set out all material facts relating to the business proposed to be transacted under Item Nos. 4 to 15 of the accompanying Notice dated July 21, 2023.

### **Item no. 04**

The Explanatory Statement is being given in respect of item No. 4 of the Notice as a matter of good governance. The present Statutory Auditors of the Bank, M/s. Varma & Varma, Chartered Accountants, Kochi and M/s. Borkar & Muzumdar, Chartered Accountants, Mumbai are retiring at the conclusion of the next Annual General Meeting after completion of their term for three years.

As mandated by RBI guidelines for entities with asset size of ₹15,000 crore and above as at the end of the previous year, the Statutory Audit of the Bank shall be conducted under joint audit of a minimum of two audit firms (Partnership firms / Limited Liability Partnerships (LLPs))

Basis the recommendation of the Audit Committee in its meeting held on May 17, 2023, the Board of Directors of the Bank in its meeting held on May 27, 2023, have recommended the appointment of M/s. Suri & Co, Chartered Accountants (Registration No. 004283S), Chennai, together with M/s. MSKA & Associates, Chartered Accountants (Registration No. 105047W), Mumbai for a period of 3 years as Joint Statutory Auditors of the Bank from the conclusion of 92<sup>nd</sup> AGM till the conclusion of 95<sup>th</sup> AGM, for the approval of RBI and the shareholders of the Bank.

As per the requirement of the Companies Act, 2013, M/s. Suri & Co, Chartered Accountants and M/s. MSKA & Associates, Chartered Accountants have confirmed that their appointment if made would be within the limits specified under Section 141(3) (g) of the Act and they are not disqualified to be appointed as statutory auditor/s in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

RBI vide its letter CO.DOS.RPD.No. S2374/08.09.005/2023-24 dated June 27, 2023 had granted approval for the appointment of M/s Suri & Co, Chartered Accountants (FRN 004283S) and M/s MSKA & Associates, Chartered Accountants (FRN 105047W) as the Joint Statutory Auditors of the Bank for the FY 2023-24 for their First year.

Accordingly, approval of the members is requested for appointment of M/s. Suri & Co, Chartered Accountants together with M/s. MSKA & Associates, Chartered Accountants for a period of three (3) years as Joint Statutory Auditors of the Bank from the conclusion of 92<sup>nd</sup> AGM till the conclusion of 95<sup>th</sup> AGM and on such terms and conditions, including remuneration, as may be approved by the Board or Audit Committee of the Board of the Bank, subject to the approval of the RBI every year. The Board or Audit Committee of the Board will negotiate and finalize the remuneration of the Joint Statutory Auditors depending on their roles and responsibilities / scope of work. The remuneration paid to the Statutory Auditors will be disclosed in the Corporate Governance Report as well as the Annual Financial Statements of the Bank on an annual basis.

M/s. Suri & Co, established in 1939, is present across 4 states with 8 branches including one in Kochi. The firm has 10 full time partners consisting of distinguished Chartered Accountants and a team of more

than 210. The Firm has been in existence for more than 8 decades with dedicated, focused, specialised and well-structured team. The firm is having 45 years' experience in Statutory Central Audit of 15 Commercial Banks.

M/s MSKA & Associates, established in 1978, is an Indian partnership firm registered with the Institute of Chartered Accountants of India (ICAI) and the PCAOB (US Public Company Accountancy Oversight Board). MSKA & Associates is having its presence in 10 cities across the country including Kochi. The firm is having a Statutory central audit experience of 32 years in 13 Commercial Banks and total count of 22 Full Time Partners associated for more than 3 years.

Consent and certificate u/s 139 of the Act have been obtained from the new Joint Statutory Auditors of the Bank to the effect that their appointment if made, shall be in accordance with the applicable provisions of the Act and rules issued thereunder. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. Suri & Co, Chartered Accountants (Registration No. 004283S), Chennai, and M/s. MSKA & Associates, Chartered Accountants (Registration No. 105047W), Mumbai have confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

The Audit Committee and Board of Directors recommend the resolution in relation to appointment of Joint Statutory Auditors of the Bank as set out in item No. 4 for approval of the Members by way of an Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Bank and their relatives are in any way concerned or interested, financially or otherwise in the passing of the Resolution at Item No.4 of the accompanying Notice.

#### **Item No.05**

Mr. A P Hota (DIN- 02593219) was re-appointed as an Independent Director of the Bank, for a period of five (5) years with effect from July 10, 2021, up to January 14, 2026 (both days inclusive).

The Board on March 01, 2023, had appointed Mr. A P Hota as Part-Time Chairman of the Bank, w.e.f. June 29, 2023, till his tenure as a Director on the Board of the Bank i.e., January 14, 2026, subject to the approval from Reserve Bank of India. The Board of Directors in the said meeting recommended the remuneration payable to Mr. A P Hota in addition to payment of sitting fees for attending Board/Committees meetings. Reserve Bank of India vide its letter DoR.GOV.No.1676/08.38.001/2023-24 dated June 26, 2023 approved the appointment and remuneration/ terms and conditions of appointment of Mr. A P Hota as Part time Chairman of the Bank effective from June 29, 2023, till January 14, 2026, at fixed remuneration of Rs. 25,00,000/- (Rupees Twenty Five Lakh only) per annum in addition to sitting fees and meeting of expenses for attending board and committee meetings.

The Board of Directors recommends the resolution to take on record the approval received from RBI including the terms of appointment of Mr. A P Hota (DIN- 02593219) as Part-Time Chairman of the Bank with effect from June 29, 2023, till January 14, 2026 and recommends the payment of remuneration to Mr. A P Hota of Rs. 25,00,000/- (Rupees Twenty Five Lakh only) as set out in item No. 5 for approval of the Members by way of an Ordinary Resolution.

Except Mr. A P Hota or his relatives, none of the Directors, Key Managerial Personnel of the Bank and their relatives are in any way concerned or interested, financially or otherwise in the passing of the Resolution at Item No.5 of the accompanying Notice.

**Item No. 06**

Basis recommendation of Nomination, Remuneration, Ethics & Compensation Committee, Board of Directors of the Bank at its meeting held on March 01, 2023, had approved the proposal for Elevation/Appointment of Mr. Harsh Dugar (DIN: 00832748), Group President & Country Head-Wholesale Banking as Executive Director (Key Managerial Personnel) of the Bank subject to the approval of Reserve Bank of India and shareholders of the Bank.

Reserve Bank of India vide its letter no. DoR.GOV.No.1627/08.38.001/2023-24. dated June 22, 2023, approved the proposal for appointment of Mr. Harsh Dugar, Group President & Country Head-Wholesale Banking as Executive Director of the Bank for a period of three years from the date of assuming charge by Mr. Harsh Dugar as Executive Director of the Bank. Further, RBI had approved the Fixed Pay (including perquisites) of Mr. Harsh Dugar effective from the date of assuming charge as stated below.

Accordingly, Mr. Harsh Dugar taken charge as Additional Executive Director (KMP) of the Bank w.e.f June 23, 2023, on the terms and conditions including remuneration as approved by Reserve Bank of India.

<b>Annexure</b>		
<b>Fixed Pay (including perquisites, yearly)</b>		
1.	Basic Salary	Rs. 30,00,000/-
2.	Personal Fixed Pay	Rs. 58,56,000/-
3.	Provident Fund	Rs. 3,00,000/-
4.	Gratuity	Rs. 2,50,000/-
5.	Leave Fare Concession	Rs. 4,50,000/-
6.	Leave Encashment (30 days in a year)	Rs. 7,38,000/-
<b>Perquisites</b>		
7.	House Rent Allowance	Rs. 12,06,000/-
8.	Conveyance Allowance/Free use of Bank's car for	
	a) Official purposes	Rs. 8,00,000/-
	(b) Driver(s)' Salary	Rs. 6,00,000/-
<b>9.</b>	<b>Total Fixed Pay (including perquisites)</b>	<b>Rs. 1,32,00,000/-</b>
<b>Benefits without Monetary ceiling</b>		
10.	Entertainment Allowance	Corporate Membership at Madras Cricket Club and Mumbai Cricket Association.
11.	Official Travel	Highest class in Train and Business class by Air for both domestic and foreign Travel
12.	Boarding and Lodging Expenses	Actual expenses incurred, supported by bills
13.	Medical Benefits	Reimbursement of Medical expenses, including hospitalisation in full for self and dependents
14.	Personal Accident Insurance Scheme	Coverage of INR 50 Lakh
15.	Telephone & Mobile and iPad	Actuals of cost and call charges
<b>Leave Details</b>		
16.	Casual Leave	12 days in a Calendar Year
17.	Privilege Leave	30 days for 11 months, can be accumulated up to 90 days

Variable Pay comprising of Cash and Non-cash Components at the end of each financial year, payable to Mr. Harsh Dugar, shall be determined by Nomination, Remuneration, Ethics and Compensation Committee, Board of Directors and shall be subject to approval of Reserve Bank of India.

Accordingly, approval of the members is requested for appointment of Mr. Harsh Dugar as Executive Director of the Bank (KMP) for a period of three years w.e.f. June 23, 2023 as per the aforesaid terms and conditions as set out in Item No. 05 of this Notice.

Additional details in respect of Mr. Harsh Dugar, Executive Director (KMP), pursuant to Regulation 36 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2), is given as Annexure A to this Notice. Brief profile of Mr. Harsh Dugar, Executive Director (KMP) 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 Mr. Harsh Dugar as Executive Director (KMP) of the Bank and for payment of Remuneration including variable pay comprising of Cash and Non-cash Components at the end of each financial year during his tenure as executive director as set out in Item No. 06 for approval of the Members of the Bank by way of an Ordinary Resolution.

Except Mr. Harsh Dugar, Executive Director (KMP) or his relatives, none of the Directors and Key Managerial Personnel of the Bank or their relatives are concerned or interested, financially or otherwise, in passing of the Ordinary resolution as set out at Item No. 06.

#### **Item no. 07**

The Board of Directors of the Bank had in its meeting dated June 27, 2023, as recommended by Nomination, Remuneration, Ethics and Compensation Committee approved payment of Rs. 28,25,000 as Performance Linked Incentive for FY 2022-23 to Mr. Ashutosh Khajuria.

Mr. Ashutosh Khajuria has retired from the Board of the Bank upon completion of his term of office as Executive Director and Key Managerial Personnel of the Bank from end of the day, April 30, 2023.

The approval from RBI payment of Rs.28,25,000 as Performance Linked Incentive for FY 2022-23 to Mr. Ashutosh Khajuria is awaited.

Accordingly, approval of the members is requested for payment of performance linked incentive to Mr. Ashutosh Khajuria.

The Board recommends passing of the Ordinary Resolution, as set out in Item No. 07 of this Notice, for the approval of the Members.

None of the other Directors nor the Key Managerial Personnel of the Bank and their relatives are in any way, concerned or interested, financially or otherwise, in passing of the Ordinary Resolution at Item No.07 of the accompanying Notice.

#### **Item No. 08**

The Members of The Federal Bank Limited (the "Bank") at the 86<sup>th</sup> Annual General Meeting held on July 14, 2017, had approved the payment of compensation in the form of profit related commission not exceeding Rs. 1 million (Rs. 1,000,000) per annum to each of the Non-Executive/Independent Directors of the Bank (other than Part Time Chairman), for each year effective from financial year ended 31 March 2017, in addition to sitting fees paid for attending Board/Committee meetings and reimbursement of expenses for participation in Board/Committee meetings" in terms of the guidelines on compensation for NEDs (other than Non-Executive Chairman) of Private Sector Banks issued by the Reserve Bank of India (the "RBI") vide its notification no. RBI/2014-15/617/DBR.NO.BC.97/29.67.001/2014-15 dated June 01, 2015.

RBI vide its notification no. RBI/2021-22/24 DOR. GOV. REC.8/29. 67.001/2021-22 dated April 26, 2021, issued Guidelines on Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board (the "Revised RBI Guidelines").

In terms of the Revised RBI Guidelines, in addition to sitting fees and expenses related to attending meetings of the Board and its Committees, the banks may provide for payment of compensation to NEDs in the form of a fixed remuneration commensurate with an individual director's responsibilities and demands on time and which are considered sufficient to attract qualified competent individuals. However, such fixed remuneration for a NED, shall not exceed Rs. 20 lakh per annum.

The above circular supersedes the earlier RBI Guidelines dated June 01, 2015, which provided for payment of profit related compensation for NEDs [other than Non-Executive (Part-time) Chairman] of Private Sector Bank.

Accordingly, given the onerous responsibilities cast on the NEDs of the Bank and the demands on their time, the Board at its meeting held on May 16, 2023, had considered and approved the payment of fixed remuneration, of Rs. 20 lakh per annum to each of the NEDs of the Bank with effect from FY 2022-23, in terms of the Revised RBI Guidelines, subject to the approval of the Members of the Bank.

The said fixed remuneration shall be in addition to the sitting fees payable to the NEDs for attending the meetings of the Board of Directors of the Bank and the Committee(s) thereof.

The Board recommends passing of the Special Resolution, as set out in Item No. 08 of this Notice, for the approval of the Members.

Except for the NEDs [other than the Non-Executive (Part-time) Chairperson] of the Bank and their relatives, none of the other Directors nor the Key Managerial Personnel of the Bank and their relatives are in any way, concerned or interested, financially or otherwise, in passing of the Special Resolution at Item No.08 of the accompanying Notice.

#### **Item no. 09**

Regulation 18 of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 was amended by SEBI by way of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2023 and sub-regulation 6A was inserted to the Regulation 18 of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021. The said Regulation mandates that the trust deed shall contain a provision which will authorise the debenture trustee to appoint a nominee director on the Board of the issuer in terms of clause (e) of sub-regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993.

The existing issuers shall amend the trust deed to incorporate the above provision on or before September 30, 2023. However, the Articles of Association of the Bank shall also be amended and a new article authorising debenture trustee to appoint a nominee director on the Board of the Bank shall be inserted so as to enable the debenture trustee to exercise his right under the amended debenture trust deed.

Accordingly, the Board of the Bank at its meeting dated May 16, 2023, had approved the said amendment to the Articles of Association of the Bank by way of insertion of the below new article.

### **Article 63C - Appointment of Nominee Director by Debenture Trustee in certain circumstances**

If it is provided by any Trust Deed executed in connection with any issue of non-convertible debt securities of the Bank, that the Debenture Trustee(s) shall have powers to appoint a nominee director on the Board of the Bank subject to the occurrence of events specified in the Trust Deed, then in the case of any and every such issue of non-convertible debt securities, the Debenture Trustee(s) may exercise such power from time to time and appoint a nominee Director accordingly. The Debenture Trustee(s) may at any time and from time to time remove the nominee director appointed by it and may in the event of such removal and also in the event of such nominee director ceasing to hold office for any reason whatsoever including resignation or death, appoint another nominee director to fill up the vacancy. Subject to applicable law/regulations a nominee director appointed in terms of this article shall not be bound to hold any qualification shares nor shall he be liable to retire by rotation.

Subject to the applicable law/regulations, the Bank shall, at the earliest and not later than one month from the date of receipt of nomination from the Debenture Trustee(s) as mentioned above, appoint the person nominated by the Debenture Trustee as a nominee director on its Board of Directors.

The Board of Directors recommends the resolutions as set out at Item No 09 of this notice in relation to alteration of Articles of Association of the Bank for approval of the Members by way of a Special Resolution.

None of the other Directors nor the Key Managerial Personnel of the Bank and their relatives are in any way, concerned or interested, financially or otherwise, in passing of the Special Resolution at Item No.09 of the accompanying Notice.

#### **Item no. 10**

The present authorized capital of the Federal Bank Limited (the “**Company**” or the “**Bank**”) is Rs. 8,00,00,00,000 (Rupees eight hundred crores only) and the Paid-up Capital (including calls-in-arrears) of the Bank as on July 19, 2023, is Rs. 4,23,63,28,436 (Rupees four hundred and twenty three crores sixty three lakhs twenty eight thousand four hundred and thirty six) divided into 2,11,81,64,218 (Two hundred and eleven eighty one lakhs sixty four thousand and two hundred and eighteen) equity shares of Rs. 2/- (Rupees two) 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.

In terms of Sections 23, 42 and 62(1)(c) of the Companies Act, 2013 and Regulation 160 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, the approval of the members by way of a special resolution is required to issue the Shares on preferential basis.

Necessary information or details in respect of the proposed issue of equity shares, on a preferential basis, in terms of Section 42 and 62(1)(c) of the Companies Act, 2013 read with Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 as amended from time to time along with other applicable rules and Chapter V of the SEBI (ICDR) Regulations are as under:

1. Particulars of the offer including date of passing of the Board resolution, kind of securities offered, total/maximum number of securities to be issued, the issue price and amount which the Company intends to raise by way of such securities:

The Board of directors of the Bank (the “**Board**”) had pursuant to its resolution passed on July 21, 2023, subject to the consent of the members and stock exchanges, approved the issue and allotment of up to 7,26,82,048 (seven crore twenty-six lakhs eighty-two thousand and forty-eight) equity shares of face value of Rs. 2.00 (Rupee Two) each (“**Subscription Shares**”) at an issue price of Rs. 131.91 (Rupees One Hundred and Thirty-One and Paise Ninety one only) each (as determined by the Board in accordance with the pricing guidelines prescribed under Regulation 164 of the ICDR Regulations for a consideration not exceeding an aggregate amount of Rs. 958,74,88,951.68 (Rupees Nine Hundred Fifty-Eight Crores Seventy Four Lakhs Eighty Eight Thousand Nine Hundred Fifty One Rupees and Sixty Eight Paise only) as on the relevant date (being Wednesday, July 19, 2023) to International Finance Corporation, IFC Financial Institutions Growth Fund (directly or through its affiliates), LP and IFC Emerging Asia Fund, LP, (directly or through its affiliates) (“**Investors**”), each a Qualified Institutional Buyer in terms of ICDR Regulations in the manner as recorded by the Board (“**Preferential Allotment**”).

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 outline 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.

2. Objects of the preferential issue: The Bank is undertaking an issue and allotment of subscription 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.
3. The total number of shares or other securities to be issued: The Bank proposes to offer, issue and allot, by way of a preferential issue, up to 7,26,82,048 equity shares to the following investors:

Sl. No.	Name of Allottees	No. of Shares
1	International Finance Corporation	6,21,63,596
2	IFC Financial Institutions Growth Fund, LP (directly and/or through its affiliates)	52,59,226
3	IFC Emerging Asia Fund, LP (directly and/or through its affiliates)	52,59,226
	<b>Total</b>	<b>7,26,82,048</b>

4. Price of the preferential issue: The Bank proposes to offer, issue, and allot subscription shares each at an issue price of Rs. 131.91 (Rupees One Hundred and Thirty-One and Paise Ninety-one only) each (as determined by the Board in accordance with the pricing guidelines prescribed under the ICDR Regulations).
5. Basis on which the price of the preferential issue has been arrived at and justification for the price (including premium, if any) and Name and Address of the valuer who performed Valuation:

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 and 166A of the ICDR Regulations, which shall be higher of:

- a. a price not less than the 10 trading days volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date, which is Rs. 131.91 (Rupees One Hundred and Thirty-One Paise Ninety-One only) per equity share.
- b. Price determined through the valuation report from an independent registered valuer.

In this regard, the Company has obtained a valuation report from an independent registered valuer CS. E. P. Madhusudhanan, Independent Registered Valuer (IBBI Registered Valuer No. IBBI/RV/05/2022/14894) and the price determined by such independent registered valuer is Rs. 131.56/- (Rupees One Hundred and Thirty-One and Paise Fifty-Six only) per Equity Share. The valuation report shall be available for inspection by the Members at the Meeting and will also be made available on the Company's website and will be accessible at link: [www.federalbank.co.in/shareholder-information](http://www.federalbank.co.in/shareholder-information).

- c. Floor price provided in the articles of association of the Company. The articles of association of the Company does not provide for any method of determination for valuation of shares which results in floor price higher than determined price pursuant to ICDR Regulations.

Hence, the floor price in terms of Regulation 164 of ICDR Regulations shall be Rs. 131.91/- (Rupees One Hundred Thirty-One and Paise Ninety One only) per Equity Share.

6. 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 July 19, 2023.

7. 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.

Sl. No.	Name of Allottees	Permanent Account Number (PAN)	No. of Shares	Subscription Amount (in Rs.)
1	International Finance Corporation	Exempted Category	6,21,63,596	8,19,99,99,948.36
2	IFC Financial Institutions Growth Fund, LP (directly and/or through its affiliates)	AAHFI5038D	52,59,226	69,37,44,501.66
3	IFC Emerging Asia Fund, LP (directly and/or through its affiliates)	AAHFI4959F	52,59,226	69,37,44,501.66
<b>Total</b>			<b>7,26,82,048</b>	<b>9,58,74,88,951.68</b>

8. 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

9. 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.

10. 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	No of shares	Post-issue capital held (in %)
1	International Finance Corporation	9,36,17,514	4.273
2	IFC Financial Institutions Growth Fund, LP (directly and/or through its affiliates)	4,19,55,464	1.915
3	IFC Emerging Asia Fund, LP (directly and/or through its affiliates)	4,19,55,464	1.915

11. 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.

12. 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 2023-24 till the date of Board Meeting approving the Preferential Issue (ie., July 21, 2023), no allotment of securities on preferential basis has been made by the Bank.

13. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer: Not Applicable.

#### 14. Pre- and Post-Issue Shareholding Pattern

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

Sl. No.	Category	Pre-Issue (21.07.2023)		Post-Issue	
		No. of shares held	% of shareholding	No. of shares held	% of shareholding
A	Promoter Holding	-	-	-	-
1	Indian	-	-	-	-
	Individual	-	-	-	-
	Bodies Corporate	-	-	-	-
	Sub-total (1)	-	-	-	-
2	Foreign Promoters	-	-	-	-
	Sub-total (2)	-	-	-	-
	Total (A) (1 + 2)	-	-	-	-
B	Non-Promoter Holding	-	-	-	-
1	Institutional Investors				
	Indian	89,44,00,431	42.23	89,44,00,431	40.82
	Foreign	54,87,54,551	25.91	62,14,36,599	28.37
2	Non-Institutional Investors				
i	Private Corporate Bodies	3,25,04,961	1.53	3,25,04,961	1.48
ii	Directors and relatives	12,68,595	0.06	12,68,595	0.06
iii	Indian Public	23,34,99,796	11.02	23,34,99,796	10.66
iv	Others (Including NRIs)	40,77,35,884	19.25	40,77,35,884	18.61
	Total (B)	<b>211,81,64,218</b>	<b>100.00</b>	<b>219,08,46,266</b>	<b>100.00</b>
	Grand Total (A+B)	<b>211,81,64,218</b>		<b>219,08,46,266</b>	

#### 15. 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.

There are no natural persons which are considered as ultimate beneficial owners that exercises control or ultimately has a controlling ownership interest of 25% or more of the shares or capital or profits of the three allottees viz. IFC (SEBI registered Category I FPI) and IFC Financial Institutions Growth Fund, LP ('FIG') & IFC Emerging Asia Fund, LP ('EAF') who are registered as Category II FPIs with SEBI. IFC is a multi-lateral financial institution set up by virtue of its Articles of Agreement among its member countries, including the Republic of India. FIG and EAF are managed by IFC Asset Management Company, a department of IFC, which as described above, is a multi-lateral financial institution. Mr. Mengistu Alemayehu is the head of the IFC Asset Management Company and Mr. John Gandolfo is the chair of the investment committees of FIG & EAF.

#### 16. 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.

#### 17. Auditors' certificate

A certificate from M/s. SEP & Associates, Practising Company Secretaries, Kochi 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 "<https://www.federalbank.co.in/shareholder-information>"

18. 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 Regulation.

19. Listing:

The Company will make an application to the Stock Exchanges, at which the existing shares of the Company are listed, for listing of the subscription shares. Such subscription shares, once allotted, shall rank pari-passu with the existing equity shares of the Company in all respects, including dividend and voting rights.

20. The current and proposed status of the allottee(s) post the preferential issues namely, promoter or non-promoter:

All the proposed allottees belong to non-Promoter category.

21. Material terms of the proposed Preferential Issue of the Equity Shares:

The material terms of the proposed preferential issue of Equity Shares are stipulated in the special resolution as set out in this Notice.

22. **Other Disclosures**

**A) Salient aspects of the agreement made with Investors:**

The Board had pursuant to its resolution passed on July 21, 2023, subject to the consent of the members, approved the issue and allotment of up to 7,26,82,048 (seven crore twenty six lakhs eighty two thousand and forty eight) equity shares of face value of Rs 2.00 (Rupee Two) each amounting to 3.317 % of the total share capital of the Company - at an issue price of Rs 131.91 each ( Rupee One Hundred Thirty One and Paise Ninety One) (as determined by the Board in accordance with the pricing guidelines prescribed under Regulation 164 of ICDR Regulations as on the relevant date to namely (i) International Finance Corporation; (ii) IFC Financial Institutions Growth Fund, LP; (directly and/or through its affiliates) and (iii) IFC Emerging Asia Fund, LP (directly and/or through its affiliates) - 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 are presently holding shareholding in the Company, in the manner set out below:

Sl. No.	Name of investors	No of pre-preferential issue holding as on July 21, 2023
1	International Finance Corporation	3,14,53,918
2	IFC Financial Institutions Growth Fund, LP (Directly and/or through its affiliates)	3,66,96,238
3	IFC Emerging Asia Fund, LP ("EAF") (Directly and/or through its affiliates)	3,66,96,238

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

**B) Valuation Report:** The report of an independent registered valuer under Reg 166A of SEBI ICDR Regulations, 2018 has been obtained and are uploaded on the website of the Bank.

- C) The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer: Not applicable.
- D) Principal terms of assets charged as securities: Not Applicable

### **23. 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) A preferential issue of specified securities to qualified institutional buyers, not exceeding five in number, shall be made at a price not less than the 10 trading days volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.
- (d) 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.
- (e) 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 Bank and the Board recommend the passing of the Special Resolution, as set forth in Item No. 10 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 10.

#### **Item no. 11**

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 Non-Convertible Securities) Regulations, 2021, 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 shareholder 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 27, 2022 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 26, 2023.

In order to facilitate the raising of funds by way of the 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 nonconvertible 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 July 21, 2023 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. 11 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 in Item No.11.

#### **Item no.12**

In terms of Section 180 (1) (c) of the Companies Act, 2013 the Board shall not except with the consent of the shareholders in General Meeting, borrow monies in excess of the Bank's Paid up capital and Free Reserves including Securities Premium. At the AGM held on August 10, 2018, the shareholders authorised the Board to borrow monies up to Rs. 12,000 Crore over and above the Paid up Capital and Free Reserves of the Bank, on behalf of the Bank, with or without securities. In view of the fact that the total business of the Bank has crossed Rs. 3.87 Lakh Crore as on 31.03.2023 from about Rs. 2.46 Lakh Crore as on 31.03.2019, which is an increase of 57% and considering the projected growth in business and fund requirements in the coming years and to avail the benefit of borrowings made outside India, the Bank's borrowing powers needs to be enhanced. In anticipation of the near-term requirements, a fresh limit of Rs.18,000 Crore over and above the Paid-up Capital and Free Reserves including Securities Premium of the Bank is recommended for shareholders' approval.

The Board recommends passing of the Special Resolution, as set out in Item No. 12 of this Notice, for the approval of the Members.

Accordingly, approval of the members is requested for enhancement of borrowing powers of the Bank.

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, 14 & 15**

The Compensation Policy of the Bank which is framed in accordance with the “Guidelines on Compensation of Whole Time Directors/Chief Executive Officers/ Material Risk Takers and Control Function staff” issued by Reserve Bank of India (RBI) on 4.11.2019 (and as may be amended by RBI from time to time), allows the Bank to offer variable compensation in the form of stock options / incentive options.

Your Bank believes that Equity based compensation scheme are an effective tool to reward the talents working with your Bank and its Group Companies including its Subsidiary Company(ies) / Associate Company(ies) (Present and Future, if any). It provides an opportunity for employees to get a share in the value of the Bank and to create long-term wealth in the hands of the employees. With a view to drive long term performance, retain talent and attract new talent, your Bank intends to implement following employee stock option scheme namely:

- The Federal Bank Limited - Employee Stock Option Scheme 2023 (“ESOS 2023”) and
- The Federal Bank Limited – Employee Stock Incentive Scheme 2023 (“ESIS 2023”)

for the employees of the Bank and its Group Companies Including its Subsidiary Company(ies) / Associate Company(ies) (Present and Future, if any).

ESOS 2023 and ESIS 2023 shall hereinafter collectively be called as ‘the Scheme’

Based on the recommendation of the Nomination, Remuneration, Ethics and Compensation Committee (“Committee”), the Board of Directors of the Bank at their meetings held on July 18, 2023 and July 21, 2023 respectively had approved the Scheme, subject to the approval of members, for the benefit of the employees, exclusively working in India or outside India, who are in the employment of the Bank and its Group Company(ies) including its Subsidiary Company(ies) / Associate Company(ies) (Present and Future, if any) including any Director, whether whole-time or otherwise (other than the employee who is Promoter or person belong to the Promoter Group, Independent Directors of the Bank and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Bank), under the Scheme in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI Regulations”) and other applicable laws.

In terms of Regulation 6 of SEBI Regulations and Section 62 and other applicable provisions, if any, of the Companies Act, 2013, applicable RBI Circulars, for offer of the Scheme to the employees of the Bank, approval of the Members by way of Special Resolution is required. Further, approval of the Members by way of separate Special Resolution is also required for extending the benefits of the Scheme to the employees of the Group Company(ies) including Subsidiary Company(ies) / Associate Company(ies) of the Bank. Accordingly, the resolutions contained at Item No. 13, 14 & 15 set out in the Notice is being placed for approval of the shareholders of the Bank.

Disclosure/main features of the Scheme pursuant to the SEBI Regulations are as under:

### **a) Brief description of the Scheme**

The Scheme contemplates grant of options to the employees of the Bank and its Group Company(ies) including its Subsidiary Company(ies) / Associate Company(ies) (Present and Future, if any).

After vesting of options, the employees earn a right, but not an obligation, to exercise the vested options within the exercise period and obtain equity shares of the Bank subject to payment of exercise price and satisfaction of any tax obligation arising thereon and other terms and condition of the Scheme.

The Nomination, Remuneration, Ethics and Compensation Committee (“Committee”) of the Bank shall act as Compensation Committee for the supervision of Scheme and shall administer the Scheme under

the guidance of the Board. All questions of interpretation of the Scheme shall be determined by the Committee as per the terms of the Scheme.

The objective of the Scheme is to reward the eligible Employees of the Bank (present or future) in India and / or outside and to motivate them to contribute to the growth and profitability of the Bank and its Group Company(ies) including its Subsidiary Company(ies) / Associate Company(ies) (Present and Future, if any) in future. The Scheme aim to attract, reward the talented / key employees for their contributions in the successful management and operations of the Bank and to provide an incentive to secure their continued contribution toward the future growth of the Bank and its Group Company(ies) including its Subsidiary Company(ies) / Associate Company(ies) (Present and Future, if any). The Bank views Stock Options as a means that would enable the employees to get a share in the value they create for the future.

**b) Total number of Options to be offered and granted**

The total number of stock options to be granted under the Scheme shall be as follows:

<b>Sr. No.</b>	<b>Scheme Name</b>	<b>Total number of Options that may be granted under the Scheme</b>	<b>% of paid-up Equity Share Capital of the Bank</b>
1	ESOS 2023	1,50,25,025	0.71%
2	ESIS2023	63,48,603	0.30%

Each option when exercised would be converted into one equity share of Rs. 2/- (Rupees Two Only) each fully paid-up.

In case of any corporate action(s) such as rights issue, bonus issue, merger, demerger, sale of division, change in capital structure and others, if any additional employee stock options of the Bank are to be issued to the Employees for the purpose of making a fair and reasonable adjustment to the stock options issued to them, the above ceiling in terms of number of equity shares shall be deemed to be increased in proportion to the additional equity shares issued in the aforesaid corporate action(s).

In case the equity shares of the Bank are either sub-divided or consolidated, then the number of Equity shares and the price of acquisition payable by the option grantees under the Scheme shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 2/- (Rupees Two only) per equity share shall bear to the revised face value of the equity shares of the Bank after such sub-division or consolidation, without affecting any other rights or obligations of the said grantees and the ceiling in terms of number of shares specified above shall be deemed to be adjusted accordingly.

**c) Identification of classes of Employees entitled to participate in the Scheme**

Following classes of employees are entitled to participate in the Scheme:

- (i) an employee as designated by the Bank, who is exclusively working in India or outside India; or
- (ii) a director of the Bank, whether a whole-time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; or
- (iii) an employee as defined in sub-clauses (i) or (ii), of group companies including Subsidiary Company(ies) / Associate Company(ies), in India or outside India, of the Bank, but does not include-
  - a) an employee who is a promoter or a person belonging to the promoter group; or
  - b) a director who, either himself or through his relative or through any Body Corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Bank.

The eligible Employees to whom the Options would be granted and their eligibility criteria would be determined by the Committee.



#### d) Requirements of vesting and period of vesting

The Options granted to any Employee shall vest within the Vesting Period in the manner as set forth in the Grant Letter. There shall be a minimum period of 1 year and maximum period of 5 years between the Grant of Options and Vesting of Options. The vesting under ESIS is linked to Bank's performance and individual performance parameters as may be decided by the Committee.

The Options granted will vest only to the Employees. However, in the event of death or permanent disability, Options shall vest as may be determined by the Committee in this regard and in accordance with the SEBI Regulations.

Options under ESIS 2023 shall be granted based on one or more of the pre-defined performance conditions as determined by the Committee which shall *inter alia* include the following.

- **Bank's Performance** - Vesting of Options will be dependent on the business performance parameters such as Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), Net Interest Margin (NIM), Net Non-Performing Assets (NNPAs), Return on Equity, Return on Asset, CASA of the Bank.
- **Individual Performance** – Individual performance is a performance condition for vesting of awards under the Scheme. Vesting of awards will be dependent on the annual performance ratings of the individual employees.
- Such other parameter as may be decided by the Committee.

#### e) Maximum period (subject to regulation 18(1) of SEBI Regulations) within which the Stock Options shall be vested

All the stock options granted on any date shall vest not later than 5 years from the date of grant of stock options subject to conditions, if any, mentioned in the Grant Letter.

#### f) Exercise price

The Exercise Price for the Options granted under the Scheme will be as follows:

- ESOS 2023: Market Price.
- ESIS 2023: Face Value of the share i.e., Rs. 2/- per Option.

\* Market Price means the latest available closing price on a recognised stock exchange on which the shares of the Bank are listed on the date immediately prior to the relevant date and which has recorded the highest trading volume as on the trading day.

#### g) Exercise period and the process of exercise

The exercise period would commence from the date of vesting and will expire on completion of maximum exercise period of 5 years in case of ESOS 2023 and 4 years in case of ESIS 2023 from the date of respective vesting or such other period as may be decided by the Committee at its sole discretion from time to time and mentioned in the Grant Letter. The stock options can be exercised by the Employees by submitting an Exercise Application as prescribed by the Committee.

The stock option will lapse if not exercised within the specified exercise period.

#### h) The appraisal process for determining the eligibility of the Employees for the Scheme

The appraisal process for determining the eligibility of the Employee will be determined by the Committee from time to time and will *inter alia* be based on criteria such as the date of joining of the employee with the Bank, grade of the employee, performance evaluation, achievement of

performance conditions based on the annual performance targets / parameters, period of service with the Bank, and/or by any such criteria that may be determined by the Committee from time to time.

**i) Maximum number of stock options to be offered per Employee and in aggregate under the Scheme**

The maximum number of options granted per Employee will be determined by the Committee on a case to case basis and the aggregate number of Options that may be granted to an identified Employee under the Scheme shall not exceed the following in any one year:

- ESOS 2023 – 12,00,000 Options
- ESIS 2023 – 1,20,000 Options

The aggregate number of stock options to be granted under the Scheme shall be as follows:

Sr. No.	Scheme Name	Total number of Options that may be granted under the Scheme
1	ESOS 2023	1,50,25,025
2	ESIS 2023	63,48,603

**j) Maximum quantum of benefits to be provided per Employee under the Scheme**

The maximum quantum of benefits underlying the Stock Options granted to an Employee can be construed to be an amount equal to the appreciation in the value of the Bank's equity shares determined as on the date of exercise of stock options, on the basis of difference between the stock option Exercise Price and the Market Price of the equity shares on the exercise date.

**k) Whether the Scheme is to be implemented and administered directly by the Bank or through a trust**

The Scheme is to be implemented and administered directly by the Bank, through Committee and not through Trust.

**l) Whether the Scheme involves new issue of shares by the Bank or secondary acquisition or both**

The Scheme involves only new issue of shares by the Bank.

**m) Amount of loan to be provided for implementation of the Scheme(s) by the Bank to the Trust, its tenure, utilization, repayment terms, etc.**

Not Applicable since the Scheme are proposed to be implemented directly by the Bank.

**n) Maximum percentage of secondary acquisition that can be made by the Trust for the purpose of the Scheme**

Not Applicable since the Scheme are proposed to be implemented directly by the Bank.

**o) A statement to the effect that the Bank shall conform to the accounting policies specified in regulation 15 of SEBI Regulations**

The Bank shall comply with the disclosure and accounting policies prescribed in Regulation 15 of SEBI Regulations and any other authorities as applicable, from time to time.

**p) Method of valuation of stock option by the Bank**

To calculate the employee compensation cost, the Bank shall use intrinsic value method as applicable for the time being unless otherwise required to fair value for ESOS 2023 under the applicable laws/regulations. The Bank shall use fair value method for ESIS 2023.

**q) Declaration**

In case, the Bank opts for expensing of share-based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the stock options shall be disclosed in the Directors' Report and the impact of this difference on profits and on Earning Per Share (EPS) of the Bank shall also be disclosed in the Directors' Report.

**r) Period of lock-in**

The Shares allotted upon exercise of stock options under the Scheme are not subject to any lock in period.

**s) Terms & conditions for buyback, if any, of specified securities covered under SEBI regulations**

The Board in accordance with Applicable Laws may lay down the procedure for buy-back of specified securities issued under this Scheme, to be undertaken by the Bank at any time under the SEBI (Buyback of Securities) Regulations, 2018, which may include:

- i. permissible sources of financing for buy-back;
- ii. any minimum financial thresholds to be maintained by the Bank as per its last financial statements; and
- iii. limits upon quantum of specified securities that the Bank may buy-back in a financial year.

**t) Listing**

Equity shares allotted pursuant to the exercise of the Scheme, shall be listed on BSE Limited and National Stock Exchange of India Limited.

**u) Applicability of Malus and Clawback**

The Bank reserves the right of executing malus/ clawback arrangements in respect of Options already granted, vested, or exercised, as the case may be. Options granted under the Scheme are always subject to malus and clawback as may be exercised by the Bank in the circumstances specified in the guidelines issued by the Reserve Bank of India.

Pursuant to the provisions of Sections 62(1)(b) of the Companies Act, 2013 and Regulation 6 of the SEBI Regulations, the implementation of the Scheme, the grant of stock options to Employees of the Bank and its Group Company(ies) Including its Subsidiary Company(ies) / Associate Company(ies) require Special Resolution of the Members, which are proposed at Item Nos. 13, 14 and 15 of this Notice respectively.

The Board is of the opinion that the resolution stated in the accompanying Notice is in the best interest of the Bank and its Members and, hence the Board recommends the Special Resolutions set out in item Nos. 13, 14 and 15 of this Notice for approval of shareholders.

None of the Directors, key managerial personnel of the Bank and their relatives are, concerned or interested, financially or otherwise, in these resolutions, except to the extent of their respective shareholding, if any, in the Bank and number of options which may be granted to them, if any, pursuant to implementation of the Scheme.

**By Order of the Board of Directors**

**Sd/-**

**Samir P Rajdev**

**Company Secretary**

**Membership No. A17849**

**Aluva, July 21, 2023**

## Annexure A

### Details of Directors seeking appointment/ re appointment through Annual General Meeting vide Notice dated July 21, 2023.

[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 Director	Mr. Shyam Srinivasan	Mr. AP Hota	Mr. Harsh Dugar
Date of Birth & Age	02.02.1962 61 years	04.08.1956 67 years	12.12.1972 50 years
DIN & Nationality	02274773 Indian	02593219 Indian	00832748 Indian
Date of first appointment to the Board	23.09.2010	15.01.2018	23.06.2023
Qualification(s)	B.E, PGDM (IIM Kolkata)	M.A (English Literature), CAIIB	Cost and Work Accountant (CWA) and Chartered Financial Analyst (CFA)
Experience	<p>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 &amp; Treasury Operations, Sales and Customer Service from 1990-2001. He is also a Director in Fedbank Financial Services Ltd and Ageas Federal Life Insurance Company Limited (Formerly called as IDBI Federal Life Insurance Company Ltd)</p>	<p>Mr. A P Hota has banking and technology experience of over 25 years across Technology and Payment Systems. He has been the MD &amp; CEO of the National Payments Corporation of India over a period of 8 years (from 2009-2017).</p> <p>He also has experience of working in the Boards of Vijaya Bank and Andhra Bank in the past as RBI Nominee Director.</p> <p>Currently he is also Director on the Board of Protean eGov Technologies Limited, Nearby Technologies Private Limited, Scoreme Solutions Pvt Ltd, NSE Clearing Ltd and RBI Innovation Hub</p>	<p>Mr Harsh joined Federal Bank in 2016 as Country Head for Corporate and Institutional Banking with a prior experience of 20 years at HDFC Bank. He has significant experience in Wholesale banking across various geographies.</p> <p>Prior to elevation as Executive Director, Harsh Dugar was the Group President &amp; Country Head of Wholesale Banking. He was responsible for Corporate Banking, Capital Markets operations, Institutional Banking, Commercial Banking, Agri, Micro, Rural Banking, Government Business and Commercial Vehicles/Construction Equipments across the country.</p> <p>He is a Nominee Director of Equirus Capital Private Limited</p>

Nature of expertise in specific functional areas	Banking, Governance, Compliance, Information Technology, Payment & Settlement Systems, Finance, Management, Risk Management, Credit, Treasury Operations, Retail Lending, Wealth Management, SME Banking, Investment	Banking, Information Technology, Payment and Settlement Systems	Banking, Finance and SSI
Relationship with any Director(s) or Manager or Key Managerial Personnel of the Bank	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 in other companies / Positions in other entities	Non – Executive Director & Deputy Chairman of Ageas Federal Life Insurance Co Ltd and Non – Executive Director of Fedbank Financial Services Limited	Independent Director of Protean eGov Technologies Limited, Nearby Technologies Private Limited, RBI Innovation Hub, Scoreme Solutions Pvt Ltd and Public Interest Director & Chairman of NSE Clearing Limited	Nominee Director of Equirus Capital Private Limited
Memberships / chairmanships of Committees of the Boards of other Companies	<b>Ageas Federal Life Insurance Co Ltd</b> Member of Nomination & Remuneration Committee <b>Fedbank Financial Services Limited</b> Member of Nomination & Remuneration Committee and Corporate Social Responsibility	<b>Protean eGov Technologies Limited</b> Chairman of Audit Committee. Member of Risk Management Committee, Nomination and Remuneration Committee and Business Strategy Committee <b>Nearby Technologies Private Limited</b> Chairman of Business Strategy Committee. Member of Customer Service & Grievance Redressal Committee and Audit Committee.	<b>Equirus Capital Pvt Limited</b> Member of Audit Committee, CSR Committee and Compensation Committee

		<p><b>Reserve Bank Innovation Hub</b></p> <p>Member of Audit Committee</p> <p><b>NSE Clearing Limited</b></p> <p>Chairman of Risk Management Committee. Member of Regulatory Oversight Committee, Standing Committee on Technology, Audit Committee and Nomination &amp; Remuneration Committee</p>	
Directorship held in other listed Companies	Nil	Nil	Nil
Membership in the Committees of Board of other listed Companies	NA	NA	NA
Listed entities from which the Director resigned in the past three years	Nil	Nil	Nil
Membership and Chairmanship in the Committees of the Board of the Bank	<p><b>Chairman</b></p> <ul style="list-style-type: none"> <li>Special Committee of the Board for monitoring and follow up of cases of Frauds</li> <li>Review Committee of the Board on Non-Cooperative Borrowers and Wilful Defaulters</li> </ul> <p><b>Member</b></p> <ul style="list-style-type: none"> <li>Credit Investment &amp; Raising Capital Committee</li> <li>Risk Management Committee</li> <li>Stakeholders Relationship</li> </ul>	<p><b>Chairman</b></p> <ul style="list-style-type: none"> <li>Stakeholders Relationship Committee</li> <li>Information Technology &amp; Operations Committee</li> </ul> <p><b>Member</b></p> <ul style="list-style-type: none"> <li>Nomination, Remuneration, Ethics &amp; Compensation Committee</li> </ul>	<p><b>Member</b></p> <ul style="list-style-type: none"> <li>Credit Investment &amp; Raising Capital Committee</li> <li>Stakeholders Relationship Committee</li> <li>Special Committee of the Board for monitoring and follow up of cases of Frauds</li> <li>Corporate Social Responsibility</li> </ul>

	<p>Committee</p> <ul style="list-style-type: none"> <li>• Customer Service, Marketing Strategy and Digital Banking Committee</li> <li>• Information Technology &amp; Operations Committee</li> <li>• Human Resource Committee of the Board</li> <li>• Corporate Social Responsibility Committee</li> </ul>		
Number of equity shares held in The Federal Bank Ltd (including as beneficial owner) as on March 31, 2023	7,98,595 equity shares as on March 31, 2023	NIL	2,10,000 equity shares as on March 31, 2023
Number of meetings of the Board attended during the Financial Year 2022-23	17 out of 17 Board meetings held for FY 23	15 out of 17 Board meetings held for FY 23	NA
Terms and conditions of reappointment along with details of remuneration sought to be paid	<p>He was re-appointed as Managing Director and CEO of the Bank for a period of three years with effect from September 23, 2021 to September 22, 2024 for which RBI has granted approval vide letter DOR.GOV.No. S289/08.38.001/2021-22 dated July 09, 2021. The Fixed Pay (including perquisites) as approved by RBI made effective from September 23, 2021 is shown in explanatory statement of item no. 7 of notice of 91<sup>st</sup> AGM held on 27.07.2022.</p> <p>Further, as per the terms of appointment, he is liable to retire by rotation as per the</p>	<p>Mr. A P Hota has been appointed as the Part Time Chairman of the Bank with effect from June 29, 2023 till January 14, 2026 vide RBI letter DoR.GOV.No.1676/08.38.001/2023-24 dated June 26, 2023 at a fixed remuneration of Rs. 25,00,000/- per annum in addition to sitting fees and meeting of expenses for attending Board and Committee Meetings.</p>	<p>Mr. Harsh Dugar has been appointed as Executive Director of the Bank for a period of three years with effect from the date of assuming charge vide RBI letter DoR.GOV.No.1627/08.38.001/2023-24 dated June 22, 2023 at fixed pay of Rs. 1,32,00,000/- per annum (including perquisites). Based on the RBI approval, Mr. Harsh Dugar has taken charge as Additional Executive Director of the Bank w.e.f June 23, 2023.</p>

	provisions of Section 152 of the Companies Act, 2013 and being eligible offers himself for re-appointment.		
Details of last drawn remuneration	<p>During the year, Mr. Shyam Srinivasan, Managing Director &amp; Chief Executive Officer, was paid Rs.2,96,47,104.00 (gross). In addition to above, employer contribution to Provident Fund of Rs.22,50,000/- was paid to Mr. Shyam Srinivasan, MD &amp;CEO.</p> <p>During FY 2022-23, Mr. Shyam Srinivasan, MD &amp; CEO has relinquished 2,80,000 Stock Options (non- cash) and Rs.32,00,000/- (cash) offered to him as Variable Pay pertaining to FY 2022-23</p>	<p>During FY 2022-23, Mr. A P Hota was paid Rs.27,95,000/- as Sitting Fees. In addition to above, Profit related Commission for FY 21-22 paid during 2022-23 amounting to Rs. 10,00,000/-</p>	<p>During FY 2022-23, Mr. Harsh Dugar, Group President &amp; Country Head- Wholesale Banking, was paid Rs. 1,12,09,501.00 (gross).</p>



## Annexure B

Brief profile of Directors seeking appointment/re-appointment through Annual General Meeting vide Notice dated July 21, 2023

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

Shyam Srinivasan is an alumnus of the Indian Institute of Management, Calcutta and Regional Engineering College, Tiruchirappalli. 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 played a pivotal role in introducing groundbreaking initiatives, including expanding the Bank's presence and visibility on a national scale. He has been instrumental in fostering an internal culture of innovation, empowering the Bank to continually improve and revamp its customer-centric processes. Additionally, he spearheaded the Bank's Total Quality Management journey, prioritizing meticulous credit selection and underwriting practices at every step.

Moreover, he has been actively involved in nurturing the Bank's human resources, unlocking their full potential to drive growth and success. Above all, his unwavering commitment remains focused on cultivating a culture of ethics and excellence within the organization, a principle he deeply values and believes will lead the Bank to even greater heights.

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

- Business Standard Banker of the Year 2020
- India's top 50 Best Leaders in times of Crises 2021' by the Great Place to Work Institute
- The Greatest Corporate Leaders of India Award given away by the World HRD Congress
- Distinguished Alumnus Award 2017 of IIM Calcutta
- Recipient of Distinguished Alumnus Award of NIT, Trichy

**Mr. A P Hota**, Independent Director is appointed as the Part Time Chairman of the Bank and took charge with effect from June 29, 2023, till January 14, 2026, consequent to retirement of Mr. C Balagopal upon completion of his tenure of 8 years on the Board of the Bank.

Mr. A.P. Hota has banking experience of over 27 years in Reserve Bank (mostly in technology and payment systems) from 1982 – 2009. While at Reserve Bank of India, he served as Nominee Director to the Board of Vijaya Bank and subsequently Andhra Bank. He was the architect of NPCI and served as its Managing Director (MD) and Chief Executive Officer (CEO) between 2009- 2017.

He completed his master's degree in literature from Sambalpur University and is an Honorary Fellow of the Indian Institute of Banking and Finance.

Mr. A P Hota was appointed as Independent Director of The Federal Bank Limited w.e.f. January 15, 2018.

**Mr. Harsh Dugar** is appointed as the Executive Director (KMP) of The Federal Bank Ltd effective from June 23, 2023. Prior to his elevation as Executive Director, he was the Group President and Country Head- Wholesale Banking Division at the Bank. He joined Federal Bank in 2016, after completing 20 years in Corporate Banking, HDFC Bank.

Mr Dugar brings along a significantly rich expertise in the field of Corporate Banking which spans across various Verticals and Geographies. His scope of work extends Pan India with complete responsibility on various aspects under Corporate & Institutional, Commercial Banking, Business Solutions, Government Business and Micro, Rural & Agri Business.

He holds a bachelor's degree with Honours in Accounting & Finance from the University of Calcutta as a University Topper. He is a qualified CWA with All India Rank holding and holds a Gold Medal in CFA along with an All-India Rank. He was also a part time faculty with ICFAI Business School, Kolkata during his initial career.

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