

NOTICE TO SHAREHOLDERS

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

Date: 10.08.2018

Day: Friday

Time: 10 am

Venue: Mahatma Gandhi Municipal Town Hall, Aluva.

To transact the following items of business.

ORDINARY BUSINESS

1. To receive, consider and adopt
 - a) the audited financial statements, including audited Balance Sheet and Profit and Loss Account of the Bank for the financial year ended March 31, 2018 and the Reports of the Board of Directors and the Auditors thereon; and
 - b) the audited consolidated financial statements, including audited consolidated Balance Sheet and Profit and Loss Account of the Bank for the financial year ended March 31, 2018 and the Report of the Auditors thereon;
2. To declare a dividend.
3. To appoint a Director in place of Mr. Ganesh Sankaran (DIN-07580955), who retires by rotation, and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

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

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

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 139 and section 143(8) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any, the applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Rules, Circulars and Guidelines issued by the Reserve Bank of India, Board of Directors of the Bank be and is hereby authorised to arrange for the audit of the Bank's branches for the accounting year 2018-19 and to appoint and fix the remuneration of branch auditors in consultation with the Central Statutory Auditors for the purpose".

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

“RESOLVED THAT in accordance with the provisions of Sections 149, 160 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, Section 10A and other applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Rules, Circulars and Guidelines issued by the Reserve Bank of India, Mr. A P Hota (DIN- 02593219), who was appointed as an Additional Director pursuant to Section 161 of the Companies Act, 2013, by the Board of the Bank and who holds office up to the date of this Annual General Meeting and in respect of whom the Bank has received a notice in writing, proposing his candidature for the office of Independent director, be and is hereby appointed as an Independent Director of the Bank, for a period of three (3) years with effect from the date of this AGM and to hold office upto the AGM to be held in 2021”.

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

“RESOLVED THAT in accordance with the provisions of Sections 149, 160 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, Section 10A and other applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Rules, Circulars and Guidelines issued by the Reserve Bank of India, Mr. Deepak Maheshwari (DIN- 08163253), who was appointed as an Additional Director pursuant to Section 161 of the Companies Act, 2013, by the Board of the Bank and who holds office up to the date of this Annual General Meeting and in respect of whom the Bank has received a notice in writing, proposing his candidature for the office of Independent director, be and is hereby appointed as an Independent Director of the Bank, for a period of three (3) years with effect from the date of this AGM and to hold office upto the AGM to be held in 2021”.

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

“RESOLVED to approve the appointment and payment of remuneration of ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand only) per month (₹ 18,00,000/- (Rupees Eighteen Lakh only) per annum) with effect from 01st March 2018 till his retirement from the Board of the Bank on completion of eight years, to Mr. Nilesh Vikamsey (DIN- 00031213), as Chairman of the Bank, subject to Reserve Bank of India approval and pursuant to the applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Rules, Circulars and Guidelines issued by the Reserve Bank of India, and as per the provisions of Companies Act, 2013 and rules made there under”.

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

“RESOLVED THAT variable pay of Mr. Shyam Srinivasan, (DIN 02274773) Managing Director and Chief Executive Officer of the Bank, as approved by Reserve Bank of India for FY 2016-17 and shown in the statement pursuant to section 102(1) of Companies Act 2013 mentioned herewith(explanatory statement), be and is hereby approved”.

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

“RESOLVED THAT pursuant to the relevant provisions of the Companies Act, 2013, the Rules made hereunder, (including any amendment, modification, variation or re-enactment thereof) and pursuant to the approval granted by the Reserve Bank of India (RBI) under the relevant provisions of the Banking Regulation Act, 1949 and the Articles of Association of the Bank, approval of the Members of the Bank be and is hereby accorded for reappointment of Mr. Ashutosh Khajuria (DIN 05154975) as the Executive Director of the Bank designated as “Executive Director & Chief Financial Officer” of the Bank for a period of 2 years, with effect from 28th January 2018. The Bank has received a notice in writing, proposing his candidature for the office of director.”

“RESOLVED FURTHER THAT Mr. Ashutosh Khajuria be paid remuneration by way of salary, allowances and perquisites, as the Executive Director designated as “Executive Director & Chief Financial Officer of the Bank” on the terms and conditions, provided in the statement pursuant to section 102(1) of Companies Act 2013 mentioned herewith (explanatory statement) for the aforesaid period and pursuant to the approval accorded by the Reserve Bank of India”.

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

“RESOLVED THAT variable pay of Mr. Ashutosh Khajuria (DIN 05154975), Executive Director of the Bank, as approved by Reserve Bank of India for FY 2016-17 and shown in the statement pursuant to section 102(1) of Companies Act 2013 mentioned herewith(explanatory statement), be and is hereby approved”.

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

“RESOLVED THAT pursuant to the relevant provisions of the Companies Act, 2013, the Rules made hereunder, (including any amendment, modification, variation or re-enactment thereof) and the Articles of Association of the Bank and subject to approval from Reserve Bank of India, approval of the Members of the Bank be and is hereby accorded for reappointment of Mr. Ganesh Sankaran (DIN 07580955) as the Executive Director of the Bank designated as “Executive Director” with a seat on the Board of the Bank for a period of 2 years, with effect from 04th July 2018. The Bank has received a notice in writing, proposing his candidature for the office of director”.

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

“RESOLVED THAT variable pay of Mr. Ganesh Sankaran (DIN 07580955), Executive Director of the Bank, as approved by Reserve Bank of India for FY 2016-17 and shown in the statement pursuant to section 102(1) of Companies Act 2013 mentioned herewith(explanatory statement), be and is hereby approved”.

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

“RESOLVED THAT pursuant to provisions of Section 42 of the Companies Act, 2013, Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Simplified Listing Agreement for Debt Securities, as amended from time to time and other applicable laws, if any, the provisions of the Memorandum and Articles of Association of the Bank and subject to receipt of such approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the concerned statutory or regulatory authority(ies), the approval of the Members of the Bank be and is hereby accorded to the Board of Directors of the Bank for borrowing/ raising funds in Indian currency by way of issue of debt instruments including but not limited to Tier II bonds, Long Term Bonds (Infrastructure & Affordable Housing), Masala Bonds, Green bonds, non-convertible debentures or such other debt securities as may be permitted by RBI from time to time, upto ₹ 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 during a period of one year from the date of passing of this Resolution, within the overall borrowing limits of the Bank approved by way of special resolution under the provisions of Section 180(1) of the Companies Act 2013, on such terms and conditions for each series / tranches including the price, coupon, premium, discount, tenor, etc. as may be approved by the Board of Directors of the Bank, from time to time”.

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

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

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

“RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and other applicable rules, if any, (including any statutory modification(s) or re-enactment thereof for the time being in force) and in supersession of the resolution limiting the borrowing authority of the Board of Directors of the Bank(“Board”) upto ₹ 7000 Crore over and above the Paid up Capital and Free Reserves of the Bank passed by the Bank at the Annual General Meeting held on 14 July 2017, 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 ₹ 12000 Crore (Rupees Twelve Thousand Crore only) over and above the Paid up Capital, Free Reserves including Securities Premium of the Bank, notwithstanding that the moneys to be borrowed, together with the moneys already borrowed by the Bank may exceed the aggregate of the Bank’s Paid up Capital, Free Reserves including Securities Premium, that is to say, reserves not set apart for any specific purposes”.

By order of the Board of Directors

Place : Aluva
Dated : 22nd June 2018

Girish Kumar Ganapathy
Company Secretary

NOTES:

1. **A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll, instead of himself/ herself and the proxy need not be a Member of the Bank. A person can act as proxy on behalf of Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Bank. Further, a Member holding more than ten percent of the total share capital of the Bank carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member. The instrument appointing proxy should, however, be deposited at the Registered Office of the Bank not later than forty-eight hours before the commencement of the Meeting.**
2. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. Members/Proxies should fill the Attendance Slip for attending the Meeting. Proxy shall not have a right to speak at the Meeting and shall not be entitled to vote except on a poll.
4. In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members who hold shares in dematerialized form are requested to write their DP ID and Client ID number(s) and those who hold share(s) in physical form are requested to write their Folio Number(s) in the attendance slip for attending the Meeting to facilitate identification of membership at the Meeting.
6. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.
7. The register of Members and share transfer books of the Bank would remain closed from –Saturday, 04th August 2018 to Friday 10th August 2018 (both days inclusive).
8. Dividend on equity shares as recommended by the Board of Directors for the year ended March 31, 2018, if approved at the Meeting, will be payable to those eligible Members who hold shares:
 - (a) In dematerialized mode, based on the beneficial ownership details to be received from National Securities Depository Limited and Central Depository Services (India) Limited as on Friday, 03rd August 2018.
 - (b) In physical mode, if their names appear in the Bank's Register of Members after giving effect to all valid transfers in physical form lodged with the Bank and its Registrar and Transfer Agents on or before Friday, 03rd August 2018.
9. In support of the “Green Initiative” announced by the Government of India and as per the Listing Agreement executed with Stock Exchanges, electronic copy of the Annual Report and this Notice, inter alia indicating the process and manner of remote e-voting along with attendance slip and proxy form are being sent by e-mail to those Members whose e-mail addresses have been made available to the Bank /Depository Participants unless the Member has requested for a hard copy of the same. For Members who have not registered their e-mail addresses, physical copies of this Notice inter alia indicating the process and manner of remote e-voting along with attendance slip and proxy form, will be sent to them in the permitted mode.

The Bank hereby request Members who have not updated their email IDs to update the same with their respective Depository Participant(s) or with M/s. Integrated Registry Management Services Private Limited, Chennai, Registrar and Transfer Agent (R&T) of the Bank. Further, Members holding shares in electronic mode are also requested to ensure to keep their email addresses updated with the Depository Participants / R&T of the Bank.
10. Shareholders holding shares in physical form are requested to immediately notify change in their address, if any, to the Registrar and Share Transfer Agents, M/s. Integrated Registry Management Services Private Limited, Chennai or to the Registered Office of the Bank, quoting their Folio number(s).
11. Shareholders holding shares in dematerialised mode are requested to intimate all changes pertaining to their Bank details, ECS mandates, email addresses, nominations, power of attorney, change of address/name etc. to their Depository Participant (DP) only and not to the Bank or its Registrar and Share Transfer Agents. Any such changes effected by the DPs will be automatically reflected in the records of the Bank subsequently.
12. Any grievance connected with e-voting should be addressed either to the Company Secretary, The Federal Bank Limited, Federal Towers, Aluva- 683101 or to the Bank's Registrar and Share Transfer Agent, M/s. Integrated Registry Management Services Private Limited, 2nd Floor ,Kences Towers,1, Ramakrishna Street, North Usman Road, T Nagar, Chennai- 600017 or emailed to secretarial@federalbank.co.in/csdstd@integratedindia.in;
13. All documents referred to in the notice are open for inspection at the Registered Office of the Bank on all working days between 10.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.
14. The route map to the venue of the Annual General Meeting also forms part of this Notice.

EXPLANATORY STATEMENT

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

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

Item No.3

Although not required, the Explanatory Statement is being given in respect of Item No. 3 of the Notice.

In terms of Section 152(6)(a) of Companies Act 2013, not less than two-thirds of the total number of directors of a public company are liable to retire by rotation. Mr. Ganesh Sankaran retires at this AGM and is offering himself for reappointment.

The Board of Directors of the Bank at its meeting held on 10th March 2016 appointed Mr. Ganesh Sankaran as Executive Director of the Bank, for which RBI approval was obtained vide its letter no. DBR. Appt No.163/08.38.001/2016-17 dated 04th July 2016 and as such Mr. Ganesh Sankaran took charge as Executive Director of the Bank w.e.f 04th July 2016 after getting the RBI approval for a period of two years w.e.f 04th July 2016 as per the terms and conditions of appointment approved by RBI. The Board of the Bank on 16.04.2018 approved the reappointment of Mr. Ganesh Sankaran as Executive Director with a seat on the Board of the Bank for a period of two years with effect from completion of his present term(reappointment to be made effective from 04th July 2018) and as per Article 63A of Articles of Association of the Bank and based on the revised terms and conditions approved by the Board at its meeting held on 19th October 2017, subject to RBI approval.

Existing Remuneration/Terms and Conditions of Mr. Ganesh Sankaran, Executive Director of the Bank, as approved by RBI is shown below:

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

During FY 2017-18 Mr. Ganesh Sankaran was paid an aggregate amount of ₹ 102.05 Lakh as remuneration. For break up of remuneration paid, kindly refer to details contained in Annual Report.

Mr. Ganesh Sankaran aged 48 years is an alumnus of VJTI Mumbai and also has a Masters degree in Business Administration from Symbiosis Institute of Business Management.

He brings banking experience of over 22 years across Relationship and Risk functions. He has top quality exposure in building corporate relationships and providing strategic direction for managing credit risk across diverse verticals. He was a senior leader in wholesale banking at HDFC Bank and was responsible for managing the balance sheet and profitability for the corporate bank as well as influencing and driving strategic initiatives. He brings firsthand experience to risk dimensions in several key domains such as SME, commercial transportation, agriculture lending, microfinance and sustainable livelihood, large ticket retail lending, risk intelligence & control etc.

At Federal Bank, he is in charge of creating a robust business architecture that straddles across the Wholesale Bank, Micro & Rural bank and Business Banking as well as bring senior leadership & strategic insight into building a high quality retail bank. Mr. Ganesh Sankaran represents sectors banking, credit, finance and risk management as per section 10 A of the Banking Regulation Act, 1949.

Mr. Ganesh Sankaran, as an Executive Director, during his ongoing term, has been instrumental in driving the performance curve of the Bank, especially on the credit side. As custodian of the Corporate and Institutional Banking, his contributions are good, reflected by the growth in numbers and also by the quality of assets.

Mr. Ganesh Sankaran is a director on following other companies as on 31st March 2018

Fedbank Financial Services Limited - Director

He is on the Committee of the Board of following Companies as on 31st March 2018

Fedbank Financial Services Limited - Chairman of Credit Committee.

Member (Audit Committee and Risk Management Committee)

Presently he is a member of Credit Committee & Investment and Raising Capital Committee, Risk Management Committee and Committee for Human Resource Policy of the Board of the Bank. Mr. Ganesh Sankaran attended ten Board meetings in Financial Year 2017-18. Mr. Ganesh Sankaran did not hold any shares of the Bank as on 31 March 2018.

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

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

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

Item No.5

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

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

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

Item No.6

The Board of Directors had appointed Mr. Abhaya Prasad Hota as an Additional Independent Director at its Board meeting held on 15th January 2018 under Section 161 of the Companies Act, 2013. In terms of the said Section, Mr Abhaya Prasad Hota vacates office at this meeting.

In terms of section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company but shall be eligible for reappointment on passing of a special resolution by the company for a further period of upto five years. The relevant sections and rules under Banking Regulation Act, 1949 and prescribed by RBI from time to time are applicable to all Directors of the Bank. In view of the above provisions, and as per the terms and conditions of appointment of Mr. Abhaya Prasad Hota, the proposal for the appointment of Mr. Abhaya Prasad Hota as an Independent Director, for a period of three years has been put up for the approval of shareholders. Mr. Abhaya Prasad Hota's appointment is in compliance with the provisions of Section 10A of the Banking Regulation Act, 1949. The terms and conditions applicable to Independent Director(s) of the Bank and hosted in the website of the Bank is applicable to Mr. Abhaya Prasad Hota also.

Mr. Abhaya Prasad Hota, aged 61 years is a post graduate in English Literature and a Certified Associate in Indian Institute of Bankers. He has banking experience of over 27 years across Technology and Payment Systems. He has been serving in Reserve Bank of India for over 27 years mostly in Technology and Payment Systems. He has been the MD & CEO of the National Payments Corporation of India over a period of 8 years (from 2009-2017). He also has experience of working in the Boards of Vijaya Bank and Andhra Bank in the past, as RBI Nominee Director.

Mr. Abhaya Prasad Hota is a director on following other companies as on 31st March 2018

IDBI Intech Limited - Director

Motilal Oswal Asset Management Company - Director

He is on the Committee of the Board of following Companies as on 31st March 2018

IDBI Intech Limited - Member
(Audit Committee and Nomination and Remuneration Committee)

Motilal Oswal Asset Management Company - Member (Audit Committee)

Presently he is the Chairman of Information Technology and Operations Committee and member of Audit Committee, Customer Service & Marketing Strategy and Digital Banking Committee and CSR Committee of the Board of the Bank. Mr. Abhaya Prasad Hota attended two Board meetings in Financial Year 2017-18, after his appointment. Mr. Abhaya Prasad Hota did not hold any shares of the Bank as on 31 March, 2018 either by himself or on a beneficial basis. Mr. Abhaya Prasad Hota is not related to any other Director or KMP of the Bank.

A notice has been received from a member, proposing Mr. Abhaya Prasad Hota as a candidate for the office of the Independent Director of the Bank. Mr. Abhaya Prasad Hota has consented to act as Independent Director, if appointed as Director of the Bank. Mr. Abhaya Prasad Hota is representing the sector of Banking, Information Technology, Payment and Settlement Systems as per the requirement of Banking Regulation Act, 1949 and hence found suitable for appointment.

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

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

Accordingly, your Directors recommend the Resolution No.6, for the approval of the shareholders appointing Mr. Abhaya Prasad Hota as an Independent Director of the Bank, for a period of three years with effect from the date of this AGM and to hold office upto the AGM to be held in 2021.

Item No.7

The Board of Directors had appointed Mr. Deepak Maheshwari as an Additional Independent Director at its Board meeting held on 22nd June 2018 under Section 161 of the Companies Act, 2013. In terms of the said Section, Mr Deepak Maheshwari vacates office at this meeting.

In terms of section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company but shall be eligible for reappointment on passing of a special resolution by the company for a further period of upto five years. The relevant sections and rules under Banking Regulation Act, 1949 and prescribed by RBI from time to time are applicable to all Directors of the Bank. In view of the above provisions, and as per the terms and conditions of appointment of Mr. Deepak Maheshwari, the proposal for the appointment of Mr. Deepak Maheshwari as an Independent Director, for a period of three years has been put up for the approval of shareholders. Mr. Deepak Maheshwari's appointment is in compliance with the provisions of Section 10A of the Banking Regulation Act, 1949. The terms and conditions applicable to Independent Director(s) of the Bank and hosted in the website of the Bank is applicable to Mr. Deepak Maheshwari also.

Mr. Deepak Maheshwari, aged 63 years is a graduate in Commerce and a Certified Associate in Indian Institute of Bankers. He has served in State Bank of India and in HDFC Bank and has banking experience of over 40 years in various capacities. He was responsible for the asset quality of wholesale loans portfolio in HDFC Bank.

Mr. Deepak Maheshwari does not hold directorship in any other Companies as on the date of this notice.

Mr. Deepak Maheshwari attended one Board meeting after his appointment in the Board as on the date of this notice. Mr. Deepak Maheshwari did not hold any shares of the Bank on the date of this notice either by himself or on a beneficial basis. Mr. Deepak Maheshwari is not related to any other Director or KMP of the Bank.

A notice has been received from a member, proposing Mr. Deepak Maheshwari as a candidate for the office of the Independent Director of the Bank. Mr. Deepak Maheshwari has consented to act as Independent Director, if appointed as Director of the Bank. Mr. Deepak Maheshwari is representing the sector of Banking, Credit & Recovery as per the requirement of Banking Regulation Act, 1949 and hence found suitable for appointment.

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

The Board of Directors have reviewed the declaration made by Mr. Deepak Maheshwari and that he meets the criteria of independence as provided in Section 149(6) read with Schedule IV of the Companies Act, 2013, and the Board is of

opinion that he fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder and is independent of the management.

Accordingly, your Directors recommend the Resolution No.7, for the approval of the shareholders appointing Deepak Maheshwari as an Independent Director of the Bank, for a period of three years with effect from the date of this AGM and to hold office upto the AGM to be held in 2021.

Item No.8

CA. Nilesh Shivji Vikamsey was appointed as an Additional Independent Director on the Board of the Bank on 24.06.2011 and was elected as a Director at the 80th Annual General Meeting held on 03.09.2011. He was elected as an Independent Director on the Board of the Bank at the Annual General Meeting held on 17.07.2014. The Board had in its meeting dated 22nd February 2018, appointed Mr. Nilesh Vikamsey as Part Time Chairman of the Bank, subject to the approval from Reserve Bank of India, in place of Mr K M Chandrasekhar, with effect from 1st March 2018 till his retirement from the Board of the Bank on completion of eight years. The approval from RBI is awaited for the same.

The Board of Directors fixed the remuneration payable to CA. Nilesh Shivji Vikamsey as ₹1,50,000/- per month (₹18,00,000/- (Rupees Eighteen Lakh only) per annum) in addition to payment of sitting fee for attending Board/Committees meetings, for which Reserve Bank of India approval is awaited. Before taking charge as Chairman of the Board of the Bank, CA. Nilesh Shivji Vikamsey was paid only sitting fee for attending Board/Committee meetings and reimbursement of expenses for participation in Board/Committee meetings. CA. Nilesh Shivji Vikamsey is not related to any other Director and Key Managerial Personnel of the Bank.

CA. Nilesh Shivji Vikamsey, aged 53 years is a Chartered Accountant by profession, and holds a Diploma in Information System Audit and was also associated with Business Consultancy Studies Course of Bombay Chartered Accountants Society jointly with Jamnalal Bajaj Institute of Management Studies. He is the senior partner of Khimji Kunverji & Co, Chartered Accountants, a firm which has over 80 years of experience in the areas of Auditing, Taxation, Corporate & Personal Advisory Services, Business & Management Consulting Services, due diligence, valuations, inspections, and investigations. He is a member of the Central Council and Immediate Past President (2017-18) of the Institute of Chartered Accountants of India (ICAI).

Mr. Nilesh Vikamsey is on the Board of following other Companies as on 31st March 2018

1 HLB Offices and Service Private Limited	-	Director
2 IIFL Holdings Limited	-	Director
3 Trunil Properties Private limited	-	Director
4 Barkat Properties Private Limited	-	Director
5 Thomas Cook (India) Limited	-	Director
6 SOTC Travel Limited	-	Director
7 SBI Life Insurance Company Limited	-	Director
8 IIFL Wealth Management Limited	-	Director
9 Navneet Education Limited	-	Director
10 PNB Housing Finance Limited	-	Director
11 NSEIT Limited	-	Director
12 India Infoline Finance Limited	-	Director

He is on the Committee of the Board of following other Companies as on 31st March 2018

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

Presently he is the member of Nomination, Remuneration, Ethics and Compensation Committee, Audit Committee, Special Committee of the Board for monitoring and follow up of cases of Frauds (SCBF) and Committee for Human Resource Policy of the Board of the Bank. He does not hold any shares of the Bank as on 31st March 2018. CA. Nilesh Shivji Vikamsey attended eight Board meetings in Financial Year 2017-18, out of total ten Board meetings held during the year. During FY 2017-18, CA. Nilesh Shivji Vikamsey was paid an amount of ₹ 12,40,000 as sitting fees.

Accordingly, your Directors recommend the Resolution No.8 for appointment and payment of remuneration of ₹ 1,50,000/- per month (₹18,00,000/- (Rupees Eighteen Lakh only) per annum) to CA. Nilesh Shivji Vikamsey, Chairman of the Board of the Bank subject to Reserve Bank of India approval, in addition to payment of sitting fee for attending Board/Committees meetings and reimbursement of expenses for participation in Board/Committee meetings.

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution at Item No. 8 of the Notice except CA. Nilesh S Vikamsey.

Item No.9

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

Mr. Shyam Srinivasan took charge as the Managing Director & CEO of Federal Bank on 23rd September 2010 with RBI approval. He joined Federal Bank, equipped with the experience of over 28 years with leading multinational banks in India, Middle East and South East Asia, where he gained significant expertise in retail lending, wealth management and SME banking.

Mr. Shyam Srinivasan aged 56 years is an alumnus of the Indian Institute of Management, Kolkata and Regional Engineering College, Tiruchirapally. He has completed a Leadership Development Program from the London Business School and has served on the Global Executive Forum (the top 100 executives) of Standard Chartered Bank from 2004 to 2010. Mr Shyam Srinivasan is also presently Deputy Chairman of Managing Committee of Indian Banks Association.

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

There was growth both in the size of the business of the Bank and also on the profitability of the Bank, since he had taken charge as MD &CEO of the Bank.

During FY 2017-18 Mr. Shyam Srinivasan was paid an aggregate amount of ₹ 159.40 Lakh as remuneration. For break up of remuneration paid, kindly refer to details contained in Annual Report for the year under consideration.

Mr. Shyam Srinivasan is a director in following other companies as on 31st March 2018

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

He is on the Committee of the Board of following Companies as on 31st March 2018

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

Mr. Shyam Srinivasan holds 4881000 shares of the Bank as on 31 March 2018, in his personal capacity only. Presently he is the Chairman of Special Committee of the Board for monitoring & follow up of cases of Fraud (SCBF), Review Committee of the Board on Non Cooperative Borrowers and Review Committee of the Board for Wilful Defaulters and member of Risk Management Committee, Customer Service, Marketing Strategy and Digital Banking Committee, Credit Committee & Investment and Raising Capital Committee, Information Technology & Operations Committee, Investor Grievance, Share Transfer & Stakeholder Relationship Committee, Committee for Human Resource Policy, Corporate Social Responsibility Committee of the Bank. Mr. Shyam Srinivasan attended ten Board meetings in Financial Year 2017-18, out of total ten Board meetings held during the year. Mr. Shyam Srinivasan is not related to any other Director and Key Managerial Personnel of the Bank.

The Board of Directors of the Bank had in its meeting dated 07th June 2017, approved a variable pay of ₹ 25.00 Lakh for the financial year ended 31 March 2017 to Mr. Shyam Srinivasan, MD & CEO of the Bank, for which approval from Reserve Bank of India was obtained vide its letter DBR.Appt.No.3110/08.38.001/2017-18 dated September 28,2017.

Accordingly, your Directors recommend the passing of Resolution No 9, in terms of Reserve Bank of India's approval for the payment of performance linked incentive to Mr. Shyam Srinivasan, Managing Director & CEO of the Bank for FY 2016-17. No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution at Item No. 9 of the Notice except Mr. Shyam Srinivasan.

Item No. 10

Mr. Ashutosh Khajuria was initially appointed as Executive Director & CFO of the Bank w.e.f 28th January 2016 with RBI approval and as per the terms and conditions of appointment approved by RBI. The Board of Directors of the Bank at its meeting held on 16th October 2017 approved the proposal for reappointment of Mr. Ashutosh Khajuria as Executive Director of the Bank for a period of two years w.e.f 28th January 2018, based on revised terms and conditions/ compensation for which RBI approval was obtained vide its letter no. DBR. Appt No.6837/08.38.001/2017-18 dated 25th January 2018 and the revised remuneration to be made effective from 01st February 2018.

Mr. Ashutosh Khajuria took charge as the Executive Director of Federal Bank with effect from 28th January 2016 with RBI approval. Prior to that he was acting as Head of Network II& President - Treasury of the Bank and after being relieved of this responsibility, was assigned with the responsibility of Chief Financial Officer of the Bank w.e.f 16th September 2015.

Mr. Ashutosh Khajuria aged 57 years is a Graduate in Science and Law and also a Post Graduate in Economics. He has over thirty years of banking experience, having worked in SBI, IDBI Bank Ltd., and had handled forex business, international banking, corporate credit etc. there at. He is an expert in treasury operations and has featured regularly in various television channel discussions and is also a regular invitee as panelist on various topics in Industry level conferences.

Remuneration/Terms and Conditions of Mr. Ashutosh Khajuria, Executive Officer & CFO of the Bank, as approved by RBI made effective from 01st February 2018 is shown below:

Remuneration	Terms and Conditions as Executive Director and CFO and approved by RBI
	3
1. Salary	i) Basic Salary ₹ 22,00,000/- per annum ii) Personal Fixed pay ₹ 46,00,000/- per annum
Total	₹ 68,00,000/-per annum
2. House Rent allowance	Leased accommodation @ ₹ 22,50,000/- per annum or own arrangement @ ₹ 18,00,000/- per annum
3. Entertainment Allowance	Bank's Corporate Membership of One club
4. Performance linked incentive	With prior approval of RBI
Perquisites	
1. Free furnished House	Nil
2. Driver's Wages	₹ 2,50,000/- per annum
3. Free Use of Bank's Car for a. Official Purposes b. For private purposes on compensating the Bank with suitable amount	Entitled to use Bank's Car for official purposes and private purposes.
4. Provident Fund	10 % of Basic Salary
5. Pension	Not eligible
6. Gratuity	As per rule/act
7. A. Travelling B. Halting Allowances	NIL
8. Medical Benefits	Reimbursement of medical expenses, including hospitalization in full for self & dependents.
Other Benefits	
9. ESOS	With prior approval of RBI
10. A. Official Travel B. Boarding and Lodging Expenses	Highest class in train and business class by Air for both domestic and foreign travel. Actual expenses incurred, supported by bills.
11. Personal Accident Insurance	Coverage ₹ 30,00,000/-
12. Telephone, Mobile and Ipad	Actual of cost and call charges.
13. Leave Fare Concession	An amount of ₹ 4,00,000/- will be paid yearly in lieu LFC, without considering whether the same is availed or not.
14. Casual Leave	12 days
13. Privilege Leave	30 days for every 11 months. Can be accumulated upto 90 days.
14. Leave Encashment	Once in a year, maximum 30 days. Balance privilege leave is encashable on retirement.