

THE FEDERAL BANK LIMITED

CIN:L6519KL1931PLC000368, Federal Towers, P O Box No.103, Aluva, Kerala, India 683 101.

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

NOTICE TO SHAREHOLDERS

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

Date: 17.07.2014

Day: Thursday

Time: 10A.M.

Venue: Mahatma Gandhi Municipal Town Hall, Aluva

To transact the following items of business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31 March 2014 and the Profit & Loss Account for the financial year ended on that date, together with the reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Shri. Shyam Srinivasan, MD & CEO of the Bank (DIN 02274773) who retires by rotation, and being eligible, offers himself for re-appointment.
4. 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 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, approval from Reserve Bank of India, other applicable provisions of the Banking Regulation Act, 1949, if any (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, M/s Deloitte Haskins & Sells, Chennai, together with M/s M.P.Chitale & Co, Mumbai be and are hereby appointed as Joint Central Statutory Auditors of the Bank to hold office until the conclusion of the next Annual General Meeting of the Bank, at such remuneration to be fixed by the Board of Directors of the Bank.”

SPECIAL BUSINESS

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

“RESOLVED that pursuant to the provisions of Section 139 and section 143(8) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any, the applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Rules, Circulars and Guidelines issued by the Reserve Bank of India, Board of Directors be and is hereby authorised to arrange for the audit of the Bank's branches for the accounting year 2014-15 and to appoint and fix the remuneration of branch auditors in consultation with the Joint 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, Shri. Harish H Engineer (DIN- 01843009), who was appointed as an Additional Director pursuant to Section 161 of the Companies Act, 2013 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 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."

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 and as per the approval of Reserve Bank of India, Smt. Grace Elizabeth Koshie (DIN- 06765216), who was appointed as an Additional Director pursuant to Section 161 of the Companies Act, 2013 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 her candidature for the office of 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."

8. 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, and as approved by Ministry of Finance, Government of India, Smt. Shubhalakshmi Panse (DIN-02599310), who was appointed as an Additional Director pursuant to Section 161 of the Companies Act, 2013 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 her candidature for the office of director, be and is hereby appointed as an Independent Director of the Bank, for her period of three (3) years with effect from the date of this AGM."

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

a) "RESOLVED that pursuant to the provisions of Sections 149 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, Prof. Abraham Koshy (DIN- 00471385), be and is hereby appointed as an Independent Director of the Bank, for a period of one (1) year with effect from the date of this AGM."

b) "RESOLVED to approve the honorarium of ₹ 1,25,000/- (Rupees One Lakh Twenty Five Thousand only) per month to Prof. Abraham Koshy (DIN- 00471385), Non Executive Part Time Chairman of the Bank, as approved by the Reserve Bank of India and pursuant to the applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Rules, Circulars and Guidelines issued by the Reserve Bank of India, and as per the provisions of Companies Act, 2013 and rules made there under.

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 provisions of Sections 149 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, Shri. Sudhir M Joshi (DIN- 00349597), 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."

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

"RESOLVED that pursuant to the provisions of Sections 149, and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules, if any, Section 10A and other applicable provisions of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Rules, Circulars and Guidelines issued by the Reserve Bank of India, CA Nilesh S Vikamsey (DIN- 00031213), be and is hereby appointed as an Independent Director of the Bank, for a period of three (3) years with effect from the date of this AGM."

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 provisions of Sections 149 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, Shri. K M Chandrasekhar (DIN- 06466854), 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."

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

"RESOLVED that pursuant to the provisions of Sections 149 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, Shri. Dilip G Sadarangani (DIN- 06610897), 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."

14. To consider and, if thought fit, to pass with or without modification(s) the following resolution(s) regarding remuneration, variable pay and ESOS grant as Ordinary resolution(s):

- a) RESOLVED to approve the remuneration to Shri. Shyam Srinivasan, Managing Director & Chief Executive Officer, of the Bank with effect from September 23, 2013 as per the terms & conditions (with no change in existing remuneration and approved as per the original terms & conditions of appointment) provided in the explanatory statement hereto and pursuant to the approval accorded by the Reserve Bank of India and as per the provisions of Section 35B 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 pursuant to Section 197, Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any other applicable rules.
- b) RESOLVED further that the variable pay of Shri. Shyam Srinivasan, Managing Director and Chief Executive Officer of the Bank, as approved by Reserve Bank of India for the year 2013-14 and shown in the explanatory statement hereto, be and is hereby approved".
- c) RESOLVED further that as approved by Board of the Bank, and as approved by Reserve Bank of India, the grant of shares under Employee Stock Option Scheme (ESOS) to Shri. Shyam Srinivasan, MD & CEO of the Bank, for the year 2012 @ ₹ 94.80 per share and for the year 2013 @ ₹ 57.25 per share be and is hereby approved.

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

- a) RESOLVED to approve the remuneration payable to Shri. Abraham Chacko, Executive Director of the Bank, with effect from August 08, 2013 as per the terms & conditions provided in the explanatory statement hereto and pursuant to the approval accorded by the Reserve Bank of India and pursuant to the provisions of Section 35B 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 pursuant to Section 197, Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and any other applicable rules.
- b) RESOLVED further that as approved by Board of the Bank and as approved by Reserve Bank of India, grant of shares under Employee Stock Option Scheme (ESOS) for the year 2013 to Shri. Abraham Chacko, Executive Director of the Bank @ ₹ 57.25 per share be and is hereby approved.

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

RESOLVED that in continuation/pursuant to the special resolution passed by Postal Ballot on 24 December 2010 ("said resolution") and pursuant to section 62(b) of the Companies Act, 2013 and Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and any other applicable regulatory requirements, approval of the company be and is hereby accorded for extending the vesting period of options granted in respect of the year 2011 under the Employee Stock Option Scheme 2010 (ESOS 2010, constituted pursuant to the said resolution, from the earlier approved vesting period of four years to four and half years (modified from 08th April 2015 to 08th October 2015) .

RESOLVED further that the amendment to clause 7.2 of the ESOS 2010, for extending the vesting period from four years to four and half years(modified from 08th April 2015 to 08th October 2015) (with such exceptions as may be considered necessary or appropriate by the Board or any Committee) be and is hereby approved for the grant in respect of the year 2011 under the Employee Stock Option Scheme 2010 (ESOS 2010).

RESOLVED further that the Board of Directors or any Committee thereof, be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, necessary or desirable for the purpose of giving effect to this resolution with power to settle any issues, questions, difficulties or doubts that may arise in this regard.

17. To consider and, if thought fit, to pass the following resolution, with or without modification(s) as 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 Rs 1500 Crore passed by the Bank at the Annual General Meeting held on 27 September 2004, 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 ₹ 3000 Crore(Three Thousand Crore) over and above the Paid up Capital and Free Reserves of the Bank, notwithstanding that the moneys to be borrowed, together with the moneys already borrowed by the Bank may exceed the aggregate of the Banks Paid up Capital and Free Reserves, that is to say, reserves not set apart for any specific purposes."

By order of the Board

Aluva
14.06 2014

Girish Kumar Ganapathy
Company Secretary

NOTES:

1. **A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself. The instrument appointing a proxy shall be deposited at the Registered Office of the Bank not later than 48 hours before the scheduled time for holding the meeting. A proxy need not be a member.**
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.
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. The register of Members and share transfer Books of the Bank would remain closed from July 08, 2014 to July 17, 2014 (both days inclusive).
7. Dividend on Equity shares as recommended by the Board of Directors for the year ended March 31,2014, if approved at the Meeting, will be payable to those eligible Members whose names stand on the Register of Members on July 07 2014 as the book closure date of the Bank is from 08.07.2014 to 17.07.2014.
8. Relevant documents in connection with the matters mentioned under special business in the Notice are open for inspection by the Members at the Registered Office of the Bank on all working days(Monday to Friday) between 10.00 A.M. to 5 P.M and on Saturdays 10.00 A.M to 2 P M from 08th July 2014 up to the date of the Annual General Meeting.
9. In terms of Rule 18 of the Companies (Management and Administration) Rules, 2014, a company may give notice through electronic mode addressing to the person entitled to receive such e-mail as per the records of the company or as provided by the depository, provided that the company shall provide an advance opportunity atleast once in a financial year, to the member to register his e-mail address and changes therein and such request may be made by only those members who have not got their email id recorded or to update a fresh email id and not from the members whose e-mail ids are already registered.

In view of the above, the Bank hereby request members who have not updated their email IDs to update the same with their respective Depository Participant(s) or with Integrated Enterprises India Limited, 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. Members holding shares in physical mode are also requested to update their email addresses by writing to the R &T of the Bank quoting their folio number(s).

10. In support of the "Green Initiative" announced by the Government of India and in terms of Section 101 of the Companies Act, 2013 and Rule 18 of the Companies (Management and Administration) Rules 2014, electronic copy of the AGM Notice of the Company interaila indicating the process and manner of e-voting along with attendance slip and proxy form is being sent to all the members whose email ids are registered with the Company/Depository Participant(s) for communication purposes. For members who have not registered their email address, physical copies of the Notice of the Company along interaila indicating the process and manner of e-voting with attendance slip and proxy form is being sent in the permitted mode.
11. In terms of Sections 107 and 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Bank is providing the facility to its Members holding shares in physical or dematerialized form as on the cut-off date, being 14th June 2014, to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice. Details of the process and manner of e-voting along with the User ID and Password is being sent to all the Members along with the Notice.

12. In case of Members who are entitled to vote but have not exercised their right to vote by electronic means, e-voting upon poll being demanded, the Chairman of the Bank may order a poll on his own motion or on demand at the Meeting in terms of Section 109 of the Companies Act, 2013 for all businesses specified in the accompanying Notice. The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Bank, subject to the provisions of the Banking Regulation Act, 1949, as amended. The poll process shall be conducted and scrutinized and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

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 statements set out the material facts relating to Item Nos 3,5,6,7,8,9,10,11,12,13,14,15,16 and 17 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.

Shri. Shyam Srinivasan was re-appointed 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 2013 to September,22 2016, on the completion of his first term, for which approval from Reserve Bank of India was obtained vide letter No.DBOD No.5155/08.38.001/2013-14 dated September 21,2013, on the existing terms and conditions.

Shri 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 over 20 years with leading multinational banks in India, Middle East and South East Asia, where he gained significant expertise in retail lending, wealth management and SME banking.

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

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

Shri. Shyam Srinivasan is a director in following companies

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

Currently he is on the committee of the Board of following Companies

1. IDBI Federal Life Insurance Company Limited - Chairman(Policy holder Protection Committee)
- Member(Audit Committee)
2. Fedbank Financial Services Limited - Member (Nomination Committee, Credit Committee, Risk Management Committee, Audit Committee)

Shri. Shyam Srinivasan did not hold any shares of the Bank as on 31 March 2014. Presently he is the Chairman of Committee to Review Large Value Fraud of the Bank and a member of Risk Management Committee, Customer Service and Marketing Strategy Committee, Credit and Investment Raising Capital Committee, Information Technology & Operations Committee, Investor Grievance & Share Transfer Committee, Committee for Human Resource Policy and Corporate Social Responsibility Committee of the Board of the Bank.

Accordingly, your Directors recommend the adoption of the Resolution No. 3 of the Notice in accordance with the approval received from RBI.

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution No. 3 of the Notice except Shri. Shyam Srinivasan.

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 have co opted Shri. Harish H Engineer, as an Additional Independent Director at its Board meeting held on 19 October 2013 under Section 161 of the Companies Act, 2013 and as per Article 63A of the Articles of Association of the Company for a period of three years with effect from 19.10.2013. In terms of the said Section, Shri. Harish H Engineer 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 re-appointment 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 Shri. Harish H Engineer, the proposal for the appointment of Shri. Harish H Engineer as Independent Director, for a period of three years has been put up for the approval of shareholders. Shri. Harish H Engineer's appointment is in compliance with the provisions of Section 10A of the Banking Regulation Act, 1949.

Shri. Harish H Engineer aged 66 years is a Science graduate from Bombay University and holds a Diploma in Business Management from Hazarimal Somani College, Mumbai. Shri. Harish has been associated with HDFC Bank since 1994 in various capacities and was also the Executive Director on the Board of HDFC Bank responsible for Wholesale Banking including International Banking. He has over 43 years of experience in the fields of Finance and Banking. Prior to joining HDFC bank Shri. Harish H Engineer worked with the Bank of America for 26 years in various areas including operations and corporate credit management. During his stint with Bank of America he worked in various locations like Hong Kong, Los Angeles, London, Singapore, Thailand and Indonesia.

Currently he is on the Board of following Companies:

1. Navin Flourine International Ltd - Director
2. Infrastructure Leasing and Financial Services Ltd - Director

Currently he is on the committee of the Board of following Companies:

1. Infrastructure Leasing and Financial Services Ltd - Member (Audit Committee and CSR Committee)
2. Navin Flourine International Ltd - Member (Audit Committee and CSR Committee)

Presently he is a member of Credit and Investment & Raising Capital Committee and Customer Service and Marketing Strategy Committee of the Board of the Bank. Shri. Harish H Engineer did not hold any shares of the Bank as on 31 March, 2014.

A notice has been received from a member along with a deposit of ₹ 1,00,000/- as required by Section 160 of the Companies Act, 2013 proposing Shri. Harish H Engineer as a candidate for the office of the Director of the Bank. Shri. Harish H Engineer has consented to act as a Director, if appointed as Director of the Bank.

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution at Item No. 6 of the Notice except Shri. Harish H Engineer.

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

Accordingly, your Directors recommend the Resolution No.6 for the approval of the shareholders appointing Shri. Harish H Engineer as an Independent Director of the Bank, for a period of three years with effect from the date of this AGM and as approved by the Board of the Bank.

Item No.7

The Board of Directors have co opted Smt. Grace Elizabeth Koshie as an Additional Independent Director at its Board meeting held on 22 November 2013 under Section 161 of the Companies Act, 2013 and as per Article 63A of the Articles of Association of the Company for a period of three years with effect from 22.11.2013. In terms of the said Section, Smt. Grace Elizabeth Koshie 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 re-appointment 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 Smt. Grace Elizabeth Koshie, the proposal for the appointment Smt. Grace Elizabeth Koshie as Independent Director, for a period of three years has been put up for the approval of shareholders. Smt. Grace Elizabeth Koshie's appointment is in compliance with the provisions of Section 10A of the Banking Regulation Act, 1949.

Smt. Grace Elizabeth Koshie, aged 62 years is a postgraduate in Economics with specialization in the area of Econometrics and Monetary Economics from Bombay University, joined Reserve Bank of India in the year 1976 as a Direct Recruit in Grade B. She also holds a PG Diploma in Higher Education and is a Certified Associate of Indian Institute of Bankers. Before joining Reserve Bank, she had worked as a lecturer in Sophia College, Mumbai. As Secretary to the Central Board of the Reserve Bank of India she was responsible for central bank governance and related compliance matters, matters connected to the Meetings of the Central Board and its Committee, and other senior management meetings. Smt. Koshie carries with her rich and varied experience of over 36 years of central banking in the Reserve Bank of India. Smt. Koshie also held the charge of the Foreign Exchange Department in RBI Central Office from 2001-2004. Smt. Koshie had earlier served as RBI nominee Director on the Boards of Dena Bank and Corporation Bank.

Smt. Grace Elizabeth Koshie did not hold directorship in any other Companies. Presently she is the member of Risk Management Committee, Audit Committee, Committee to Review Large Value Fraud and Committee for Human Resource Policy of the Bank. Smt. Grace Elizabeth Koshie did not hold any shares of the Bank as on 31 March, 2014.

A notice has been received from a member along with a deposit of ₹ 1,00,000/- as required by Section 160 of the Companies Act, 2013, proposing Smt. Grace Elizabeth Koshie as a candidate for the office of the Director of the Bank. Smt. Grace Elizabeth Koshie has consented to act as a Director, if appointed as Director of the Bank.

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution at Item No. 7 of the Notice except Smt. Grace Elizabeth Koshie.

The Board of Directors have reviewed the declaration made by Smt. Grace Elizabeth Koshie and she 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 she fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder and is independent of the management. Smt. Grace Koshie is the first Woman Director on the Board of the Bank.

Accordingly, your Directors recommend the Resolution No.7, for the approval of the shareholders appointing Smt. Grace Elizabeth Koshie as an Independent Director of the Bank, for a period of three years with effect from the date of this AGM and as approved by the Board of the Bank.

Item No:8

The Board of Directors have co opted Smt. Shubhalakshmi Panse as an Additional Independent Director at its Board meeting held on 29 April 2014 under Section 161 of the Companies Act,2013 and as per Article 63A of the Articles of Association of the Company and as approved by Ministry of Finance, Government of India for a period of three years with effect from 29.04.2014. In terms of the said Section, Smt. Shubhalakshmi Panse 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 re-appointment 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 Smt. Shubhalakshmi Panse the proposal for the appointment Smt. Shubhalakshmi Panse as Independent Director, for a period of three years has been put up for the approval of shareholders. Smt. Shubhalakshmi Panse's appointment is in compliance with the provisions of Section 10A of the Banking Regulation Act, 1949.

Smt. Shubhalakshmi Panse, aged 60 years is a post graduate in Science and holds D.B.M. (Diploma in Business Management) & MMS (Masters in Management Sciences with specialization in Financial Management) from Pune University. She also holds an M.B.A. (Masters in Business Administration) with specialization in Bank Management from Drexel University, USA. She is also a Certified Associate of Indian Institute of Bankers. Smt. Shubhalakshmi Panse has 38 years experience in the field of Banking, particularly in Corporate Credit appraisal, Credit Monitoring, NPA management, Planning, Project appraisal and also in Economics, Finance and Information Technology. She is the former Chairman & Managing Director of Allahabad Bank. Smt. Panse was also the Executive Director of Vijaya Bank for two and half years, managing all the portfolios of that bank. She was the member of the committee appointed by RBI on Corporate Governance and the Chairman of the committee set up by IBA on Cheque Truncation System- National Archive. She is also the Chairman of the Quality Review Board of Indian Institute of Actuaries appointed by Government of India.

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

Smt. Shubhalakshmi Panse did not hold directorship in any other Companies. Smt. Shubhalakshmi Panse did not hold any shares of the Bank.

A notice has been received from a member along with a deposit of ₹ 1,00,000/- as required by Section 160 of the Companies Act, 2013, proposing Smt. Shubhalakshmi Panse as a candidate for the office of the Director of the Bank. Smt. Shubhalakshmi Panse has consented to act as a Director, if appointed as Director of the Bank.

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution at Item No. 8 of the Notice except Smt. Shubhalakshmi Panse.

The Board of Directors have reviewed the declaration made by Smt. Shubhalakshmi Panse and she 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 she 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.8, for the approval of the shareholders appointing Smt. Shubhalakshmi Panse as an Independent Director of the Bank, for a period of three years with effect from the date of this AGM and as approved by the Board of the Bank.

Item No:9

- a) Prof. Abraham Koshy was appointed as an Additional Director on the Board of the Bank on 18.05.2007 and was elected as a Director at the 76th Annual General Meeting held on 24.09.2007.

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

In terms of section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company but shall be eligible for re-appointment 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 as prescribed by RBI from time to time are applicable to all Directors of the Bank. In view of the above provisions and the fact that Prof.Abraham Koshy has held office for a period of seven years, the proposal for his appointment as Independent Director, for a period of one year has been put up for the approval of shareholders.

- b) Prof.Abraham Koshy was appointed by the Board of Directors of the Bank as the Part Time Chairman of the Bank for two years or till his retirement from the Board of the Bank, whichever is earlier and necessary approval from Reserve Bank of India has been obtained for the same. The Board of Directors fixed the honorarium payable to Prof. Abraham Koshy as ₹ 1,25,000/- (Rupees One Lakh Twenty Five Thousand only) per month for which Reserve bank of India approval has been obtained vide their letter. DBOD No.15900/08.38.001/2013-14 dated March 19,2014.

Prof. Abraham Koshy, aged 61 years, is a Post Graduate in Business Administration from Cochin University.He took his doctoral degree with specialization in Marketing from the Indian Institute of Management Ahmedabad. He started his career in 1976 in Union Bank of India. After a short stint there, he opted the field of academics and joined the School of Management Studies, Cochin University and thereafter the Centre for Management Development, Trivandrum. He joined the prestigious IIM, Ahmedabad in 1989 as a faculty member and is now serving as Professor of Marketing, pursuing an illustrious career. He serves as a visiting professor of various European business schools/universities too. His expertise in marketing and management is being utilised by companies engaged in varied lines of activities, in India and abroad, by way of training programmes for senior executives, advisory services etc. He has served/is serving as member of a number of expert committees of various national and international organizations. Apart from publishing several research papers in reputed journals, Prof. Koshy has co-authored a book on Marketing Management along with the legendary marketing guru, Prof. Philip Kotler.

Currently he is on the Board of following Companies:

Malayala Manorama Printing & Publishing Co Ltd - Director
Fedbank Financial Services Ltd - Director .

Prof. Abraham Koshy is the Chairman of the Board of the Bank, Chairman of Risk Management Committee, Nomination Remuneration Ethics and Compensation Committee, Customer Service and Marketing Strategy Committee and Corporate Social Responsibility Committee of the Board and member of Committee for Human Resource Policy of the Bank. Prof. Abraham Koshy holds 5000 shares of the Bank as on 31 March 2014.

Accordingly, your Directors recommend the Resolution No.9 for the approval of the shareholders for appointing Prof. Abraham Koshy as an Independent Director of the Bank for a period of one year and payment of honorarium of ₹ 1,25,000/- per month as approved by Reserve Bank of India.

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 Prof. Abraham Koshy.

Item No.10

Shri. Sudhir Moreshwar Joshi was appointed as an Additional Director on the Board of the Bank on 20.10.2012 and was elected as a Director at the 82nd Annual General Meeting held on 20.07.2013.

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

In terms of section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company but shall be eligible for re-appointment 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 the proposal for his appointment as Independent Director, for a period of three (3) years with effect from the date of this AGM has been put up for the approval of shareholders.

Shri. Sudhir Moreshwar Joshi is a professional banker with vast experience in Banking Industry. He holds a Bachelor of Science degree in Chemistry from University of Pune and is a Certified Associate of Indian Institute of Bankers. He was the Head of Treasury at HDFC Bank. Previously, he has held key positions with State Bank of India. Shri Sudhir M Joshi was also part of the Times Bank Core Management Team as Executive Vice President (Treasury).

Currently he is on the Board of following Companies:

Cyber Tech Systems & Software Ltd	- Director
National Securities Clearing Corporation Ltd	- Director
Clearing Corporation of India Ltd.	- Director

Currently he is on the committee of the Board of following Companies

Cyber Tech Systems & Software Ltd	- Chairman (Audit, Investors Grievance Committees)
Clearing Corporation of India Ltd.	- Member (Risk Committee)
National Securities Clearing Corporation Ltd	- Member (Risk, Audit and Selection Committee)

Presently he is the Chairman of the Credit and Investment & Raising Capital Committee and member of Risk Management Committee, Nomination, Remuneration Ethics and Compensation Committee and Information Technology & Operations Committee of the Board of the Bank. He does not hold any shares of the Bank as on 31.March.2014

Accordingly, your Directors recommend the Resolution No.10 for the approval of the shareholders appointing Shri. Sudhir M Joshi as an Independent Director of the Bank, for a period of three (3) years with effect from the date of this AGM

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

Item No: 11

CA. Nilesh Shivji Vikamsey was appointed as an Additional Independent Director on the Board of the Bank on 24.06.2011 and was elected as a Director at the 80th Annual General Meeting held on 03.09.2011.

The Board of Directors have reviewed the declaration made by CA. Nilesh Shivji Vikamsey and he meets the criteria of independence as provided in Section 149(6) read with schedule IV of the Companies Act, 2013, and the Board is of

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

In terms of section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company but shall be eligible for re-appointment 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 the proposal for his appointment as Independent Director, for a period of three(3) years with effect from the date of this AGM has been put up for the approval of shareholders.

Shri. Nilesh Shivji Vikamsey 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 78 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 of the Institute of Chartered Accountants of India (ICAI).

Currently he is on the Board of following Companies:

IIFL Holdings Limited	- Director
India Infoline Finance Limited	- Director
Rodium Realty Limited	- Director
SBI Life Insurance Company Limited	- Director
IIFL Wealth Management Limited	- Director
Navneet Education Limited	- Director
HLB Offices and Service Private Limited	- Director
Trunil Properties Private limited	- Director
Barkat Properties Private Limited	- Director
Extensible Business Reporting Language(XBRL) India.	- Director

Currently he is on the committee of the Board of following Companies

IIFL Holdings Limited	- Chairman (Audit Committee) Member (Compensation/Remuneration Committee)
India Infoline Finance Limited	- Chairman (Audit Committee) - Member(Compensation/Remuneration, Nomination Committee, Risk Management Committee, Group Credit & Investment Committee)
Rodium Realty Limited	- Member (Audit Committee)
SBI Life Insurance Company Limited	- Chairman (Audit Committee) - Member (Investment Committee, Risk Management Committee, Compensation Committee, Policy Holder Protection Committee).
IIFL Wealth Management Limited	- Member (Audit Committee)
Navneet Education Limited	- Member (Audit Committee)

Extensible Business Reporting
Language(XBRL) India

- Chairman (Audit Committee)
- Member(Membership Development Committee,
Taxonomy Development & Review Committee)

Presently he is the Chairman of the Audit Committee of the Bank and is a member of Nomination, Remuneration, Ethics and Compensation Committee, Investor Grievances and Share Transfer Committee(Stakeholders Relationship Committee) and Committee to Review Large Value Fraud of the Board of the Bank. He does not hold any shares of the Bank as on 31.March.2014.

Accordingly, your Directors recommend the Resolution No 11 for the approval of the shareholders appointing CA. Nilesh S Vikamsey as an Independent Director of the Bank, for a period of three (3) years with effect from the date of this AGM.

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

Item No.12

Shri. K M Chandrasekhar was appointed as an Additional Independent Director on the Board of the Bank on 06.12.2012 and was elected as a Director at the 82nd Annual General Meeting held on 20.07.2013.

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

In terms of section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company but shall be eligible for re-appointment 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 the proposal for his appointment as Independent Director, for a period of three(3) years has been put up for the approval of shareholders.

Shri. K.M.Chandrasekhar entered the Indian Administrative Service in 1970. Prior to that, he did B.A (Honours) in Economics and M.A. in History from St. Stephen's, College, University of Delhi. After entering Government Service, he got the M.A degree in Management Studies from the University of Leeds in United Kingdom. He spent the first 25 years of his career in Kerala, holding such positions as Managing Director of the State Civil Supplies Corporation, District Collector, Idukki, Director of Fisheries, Principal Secretary (Industries) and Principal Secretary (Finance). During this period, he was also Chairman of the Spices Board under the Ministry of Commerce, Government of India. In 1996, he left Kerala on Central Government deputation and rose to the highest position that any Indian civil servant can occupy that of Union Cabinet Secretary. As Cabinet Secretary, he was Head of all the Civil Services in India and reported directly to the Prime Minister of India. He has considerable management experience having been associated as Chairman, Managing Director or Member of the Board of Directors of more than 40 companies in the public, joint and private sector.

Shri.K.M. Chandrasekhar did not hold directorship in any other Companies. Shri. K.M.Chandrasekhar did not hold any shares of the Bank as on 31 March 2014. Presently he is the Chairman of the Committee for Human Resource policy and Investor Grievance and Share Transfer Committee (Stakeholder Relationship Committee)and member of Risk Management Committee and Corporate Social Responsibility Committee of the Board of the Bank.

Accordingly, your Directors recommend the Resolution No:12 for the approval of the shareholders appointing Shri. K M Chandrasekhar as an Independent Director of the Bank, for a period of three(3) years with effect from the date of this AGM.

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution at Item No. 12 of the Notice except Shri. K M Chandrasekhar.

Item No.13

Shri. Dilip Gena Sadarangani was appointed as an Additional Independent Director on the Board of the Bank on 04.06.2013 and was elected as a Director at the 82nd Annual General Meeting held on 20.07.2013.

The Board of Directors have reviewed the declaration made by Shri. Dilip.G.Sadarangani, and he meets the criteria of independence as provided in Section 149(6) read with schedule IV of the Companies Act, 2013, and the Board is of opinion that he fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder and is independent of the management. In terms of section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company but shall be eligible for re-appointment 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 the proposal for his appointment as Independent Director, for a period of three (3) years with effect from the date of this AGM has been put up for the approval of shareholders.

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

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

Shri. Dilip.G.Sadarangani is a director in Fedbank Financial Services Limited. Shri. Dilip.G.Sadarangani did not hold any shares of the Bank as on 31.March.2014. Presently he is the Chairman of the Committee for Information Technology and Operations Committee and member of Audit Committee and Committee to Review Large Value Fraud of the Board of the Bank.

Accordingly, your Directors recommend the Resolution No.13 for the approval of the shareholders appointing Shri. Dilip.G. Sadarangani as an Independent Director of the Bank, for a period of three (3) years with effect from the date of this AGM.

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution at Item No. 13 of the Notice except Shri. Dilip.G. Sadarangani.

Item No. 14

- a) Shri Shyam Srinivasan was re-appointed as the Managing Director and Chief Executive Officer of the Bank, by the Board of the Bank for a period of three years with effect from September,23 2013 to September,22 2016, on the completion of his first term, for which approval from Reserve Bank of India was obtained vide letter No.DBOD No.5155/08.38.001/2013-14 dated September 21,2013, on the existing terms and conditions. The details of the remuneration are given below.

Remuneration of the Managing Director and Chief Executive Officer, as per the existing terms and conditions and as approved by RBI

Sl.No	Particulars	Terms and Conditions as approved by RBI
1.	Salary	₹ 70 lakh per annum.
2.	D A	Nil
3.	House Rent Allowance	Nil
4.	Conveyance Allowance	Nil
5.	Entertainment Allowance	During his tenure he can use Banks corporate membership of one or more clubs.
6.	Other Allowances-variable pay	With Prior approval of RBI
7.	Perquisites a) Free furnished house b) Free use of Banks cars- i) For official purposes ii) For private purposes on compensating the Bank with suitable amount	The Bank will provide free and furnished accommodation. The Bank will bear the cost of furnishing up to ₹ 10 lakh. At the time of leaving the Bank, the MD will have the option of taking over furniture, fittings, appliance etc at the then book value at the Banks books. Free use of Banks car with Driver for official purpose. For personnel use ₹ 250/- p. m would be recovered.
8.	Provident Fund	10 % of the pay to be matched by MD's Contribution
9.	Gratuity	As applicable
10.	Pension	Not eligible
11.	Travelling/halting Allowances	₹ 1000 per day if expenses not claimed. ₹ 2000 per day if both boarding and lodging expenses are not claimed.
12.	Medical benefits	During his tenure as MD and CEO, reimbursement of actual hospital expenses incurred in full for him and wife and 50 % for his dependent parents and children. This subject to any recoveries made arising out of his previous employments
13.	Other benefits if any 1.Leave encashment 2.Salary of attendant at residence 3. ESOP 4.Leave Fare Concession	As applicable to other officers of the Bank. Encashment will be allowed once a year. Reimbursement of actual salary upto ₹ 60,000/- per annum during his tenure in the office. With prior approval of RBI The concession will be available once in every year for domestic travel by the highest class by whichever mode of travel, but reimbursement limited to the actual expenses incurred. For business class by air on foreign travel, the reimbursement shall be limited to the business class fare between Kochi and Delhi.

- b) The Board of Directors of the Bank had approved a variable pay of ₹ 15.00 Lakh for the financial year ended 31 March 2013 to Shri. Shyam Srinivasan, MD & CEO of the Bank, for which approval from Reserve Bank of India was obtained vide its letter DBOD No.10183/08.38.001/2013-14 dated 25 November 2013.
- c) The Employee Stock Option Scheme of the Bank (ESOS) was approved by the shareholders through Postal Ballot. As per the Scheme, the Board of Directors in the year 2012, approved the grant of 641375 equity shares of ₹ 2/- each to Shri Shyam Srinivasan, MD & CEO of the Bank, to be granted over 4 years from 2013 to 2016, with 25% of the offered shares being vested each year @ ₹ 94.80 per share for which RBI approval was obtained vide letter DBOD No.13356/08.38.001/2012-13 dated March 19,2013 and in the year 2013 the Board approved a grant of 641375 equity shares of ₹ 2/- each, to be granted over 4 years from 2014 to 2017, with 160344(One lakh Sixty thousand Three hundred and Forty four only) shares per year @ ₹ 57.25 per share for which RBI approval was obtained vide letter DBOD No.2773/08.38.001/2013-14 dated January 13,2014. Though the Board had offered 25,65,500 shares of ₹ 2/- each as ESOS to Shri. Shyam Srinivasan, he decided to accept only one fourth of the shares offered and gave back the rest into the ESOS pool to be distributed to the employees.

Accordingly, your Directors recommend the passing of Resolution No 14, in terms of Reserve Bank of India's approval for the remuneration, variable pay and ESOS to Shri. Shyam Srinivasan, Managing Director & CEO of the Bank with effect from September 23, 2013.

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

Item No. 15

Shri Abraham Chacko was appointed as Executive Director with seat on the Board of the Bank, for two years for which approval from Reserve Bank of India was obtained vide letter No.DBOD No.2149/08.38.001/2013-14 dated August 08,2013 as per the following terms and conditions.

Terms and conditions of appointment of Shri. Abraham Chacko, Executive Director as approved by RBI (w.e.f. 08.08.2013)		
A. 1	Salary (Consolidated)	₹ 65,00,000/- per annum
2	HRA	₹ 15,00,000/- per annum + security deposit.
B.	Perquisites	
1.	Club Membership	Banks Corporate membership of one club.
2.	Free Use of Banks Car	Entitled to use Banks car for official purposes. For private purpose, ₹ 250/- per month will be recovered.
3.	ESOS	10,25,000 # shares. Bank may approach separately at the time of granting ESOP's with details.
4.	Official Travel	Highest class in Train and Business class by air for both domestic and foreign travel.
5.	Boarding and Lodging	Actual expenses incurred supported by bills.
6.	Travel Insurance	₹ 10 Lakh on official travel by road, rail and air.
7.	Medical benefits	Reimbursement of medical expenses, including hospitalization, in full for ED and spouse and to the extent of 50 % for the dependant parents and children, during his tenure.
8.	Performance linked incentive	Bank may approach separately at the time of payment as per the extant guidelines.

Grant of 2,05,000 ESOP's of face value of ₹ 10/- per share was approved by Reserve Bank of India. Consequent to the share split into face value of ₹ 2/- per share, ESOP's now stand at 10,25,000 shares of face value of ₹ 2/-

- b) The Employee Stock Option Scheme of the Bank (ESOS) was approved by the shareholders through Postal Ballot. As per the Scheme, the Board of Directors approved to give 325000 equity shares of ₹ 2/- each to Shri Abraham Chacko, Executive Director of the Bank, to be granted over 4 years from 2014 to 2017, @ ₹ 57.25 per share, for which RBI approval was obtained vide letter DBOD No.2773/08.38.001/2013-14 dated January 13,2014.

Accordingly, your Directors recommend the passing of Resolution No.15, in terms of Reserve Bank of India's approval, for the remuneration and ESOS to Shri. Abraham Chacko, Executive Director of the Bank.

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

Item No.16

The Federal Bank Employee Stock Option Scheme was implemented in the year 2010 and its first Grant was declared on 09.04.2011. Normally the Options granted are being vested in four tranches of 25 % each. As per the terms of the Scheme and shareholder approval obtained for ESOS 2010, Options granted under ESOS 2010 would vest after the expiry of one year from the date of Grant of Options and not later than the expiry of four years from the date of Grant of Options. Vesting of Options will take place only if the Bank achieves 80% of the targets for CASA, ROA and ROE as decided in the Board meeting held on 28.01.2011.

With respect to the above Grant, first, second and third vesting have already been completed on 19.10.2012, 31.05.2013 and 31.05.2014 respectively. To comply with the provisions of the Scheme, the fourth and the last vesting of the above Grant should be completed on or before 08th April 2015, which will be practically impossible as the audited financial results of the Bank will not be available by that date. The Board at its meeting held on 29.04.2014 have approved the extension of vesting period from 08.04.2015 to 08.10.2015, thereby approving the variation in the Scheme for the vesting period from four years to four and half years(08.04.2015 to 08.10.2015), only in respect of the grant made in the year 2011.

As the extension of vesting period amounts to variation in the provisions of the Scheme, for the grant made in the year 2011 the approval of shareholders is hereby sought for extending the vesting period from four years from the date of Grant to four and half years(from 08.04.2015 to 08.10.2015) for the grant made in the year 2011

The variation proposed is not prejudicial to the interest of the employees/Executive Directors of the Bank who are the option holders. The beneficiaries of the Grant 2011 are all those employees/ Executive Directors who have been issued Grant letters as approved by the Committee of the Board.

Accordingly, your Directors recommend the adoption of the Resolutions No. 16 of the Notice for the extension of vesting period for the grant made in the year 2011.

No Director, Key Managerial Personnel and their relatives are in any way concerned or interested in the Resolution No 16 other than those to whom ESOS has been granted in the year 2011.

Item No.17

In terms of Section 180 (1)(c) of the Companies Act,2013 the Board shall not except with the consent of the shareholders in General Meeting, borrow moneys in excess of the Bank's Paid Up capital and Free Reserves. At the AGM held on September 27,2004 ,the shareholders authorised the Board to borrow moneys up to ₹ 1500 Crore on behalf of the Bank, with or without securities.

In view of the fact that the total business of the Bank has crossed ₹ 1,00,000 Crore as on 31.03.2014 from about ₹ 25000 Crore in 2004, which is four fold increase and also considering the projected growth in business in the coming years and in order to avail the benefit of borrowings made outside India, the Boards borrowing authority needs to be enhanced. In anticipation of the near-term requirements, a fresh limit of ₹ 3000 Crore over and above the Paid up Capital and Free Reserves of the Bank is suggested for shareholders approval.

Accordingly, your Directors recommend the adoption of the Resolutions No. 17 of the Notice which relates to the enhancement of Borrowing powers.

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

By order of the Board

Aluva
14.06 2014

Girish Kumar Ganapathy
Company Secretary

FOR THE ATTENTION OF SHAREHOLDERS

Proxy Form and Attendance Slip

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

Queries at the AGM

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

The Company Secretary

The Federal Bank Limited

Federal Towers, P.B. No.103, Aluva 683 101

so as to reach him latest by 08 July 2014 specifying the point/s requiring clarification.

Correspondence

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

Integrated Enterprises (India) Ltd., 2nd Floor, Kences Towers,

No.1, Ramakrishna Street, North Usman Road, T Nagar, Chennai 600 017.

Phone No: (044) 28140801, 28140802 Fax: 28142479

email : csdstd@integratedindia.in

Unclaimed Dividends

Dividend warrants issued to shareholders are valid for payment for a period of three months from the date of issue.

In terms of Companies Act 2013, any money transferred to the unpaid dividend account of a Company which remains or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to the Investor Education and Protection Fund of the Central Government (Fund) established under Section 205C(1). Further no claim shall lie against the Fund or the Bank in respect of individual amounts, remaining unclaimed and unpaid for a period of seven years from the dates they became due for payment and no payment shall be made in respect of any such claims. Hence shareholders will not be able to claim the dividend amount after its transfer to the fund. Shareholders who have not encashed their dividend warrants for any of the years 2006-07 to 2012-13 are requested to get the warrants revalidated by the Bank, since the outstanding dividend will be transferred to Government of India.

Change of Address and information on Bank mandate

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

By order of the Board

Aluva

14.06 2014

Girish Kumar Ganapathy

Company Secretary

Voting through Electronic means.

1. In compliance with provisions of Section 108 of the Companies Act,2013 and Rule 20 of the Companies (Management and Administration) Rules,2014 the Company is pleased to provide members facility to exercise their right to vote at the AGM by electronic means and the business may be transacted through e- voting services provided by National Securities Depository Limited(NSDL).

The instructions for e-voting are as under:

- a. In case a member receives an email from NSDL(for members whose email ids are registered with the Company/Depository Participants):
 - i. Open email and open pdf file viz "FBL AGM 2014.pdf " with your client id or folio number as password. The said pdf file contains your user id and password for e-voting. Please note that the password is an initial password.
 - ii. Launch internet browser by typing the following URL.
<https://www.evoting.nsdl.com>
 - iii. Click on shareholder- LOGIN
 - iv. Put user id and password as initial password noted in step (i) above. Click login.
 - v. Password change menu appears, change the password of PIN with your new password of your choice with minimum eight digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - vi. Home Page of e-voting opens. Click on e-voting/active voting cycles.
 - vii. Select EVEN(E- VOTING Event Number) of Federal Bank Ltd
 - viii. Now you are ready for e-voting as Cast Vote page opens.
 - ix. Cast your vote by selecting appropriate option and click on submit and also confirm when prompted.
 - x. Upon confirmation, the message vote cast successfully will be displayed.
 - xi. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - xii. Institutional shareholders(ie other than individuals, HUF,NRI etc) are also required to sent scanned copy(pdf/jpg format) of the relevant Board resolution/authority letter etc together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the scrutinizer through email:sivarkn@svjs.in, with a copy marked to evoting@nsdl.co.in<mailto:evoting@nsdl.co.in>
- b. For Members holding shares in dematerialized form whose email ids are not registered with the Company / Depository Participant(s),members holding shares in physical form as well as those Members who have requested for a physical copy of the Notice and Annual Report, the following instructions may be noted:
 - i. Initial password is provided as below/at the bottom of attendance slip for AGM:
EVEN(E- VOTING Event Number) USER ID PASSWORD
 - ii. Please follow all steps from SR No.(ii) to SR No.(xii) above to cast vote
 1. 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 downloads section of www.evoting.nsdl.com<<http://www.evoting.nsdl.com>>.
 2. If you are already registered with NSDL for e-voting then you can use your existing user id and password/PIN for casting your vote.

3. You can also update your mobile number and email ID in the user profile details of the folio which may be used for sending future communication(s).
4. The e-voting period commences on 07.07.2014 and ends on 09.07.2014. During this period shareholders of the Company, holding shares either in physical form or in de-materialized form, as on the cut off date (specified date) of 14.06.2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
5. The voting rights of shareholders shall be in proportion to their shares of the Paid up Equity Share Capital of the Bank as on the cut off date (specified date) 14.06.2014.
6. Shri. Sivakumar. P, Company Secretary in Practice has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
7. The scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a scrutinizers report of the votes cast in favour or against if any, forthwith to the Chairman of the Company.
8. The results shall be declared on or after the date of AGM of the Company. The results declared along with the Scrutinizers report shall be placed on the Company's website; www.federalbank.co.in and on the website of NSDL within two (2) days of passing of resolutions of the AGM of the Company and communicated to stock exchanges where the shares of the Bank are listed.