

Date: June 23, 2023

The Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001

Dear Sir,

Sub:- Prior Intimation of Extra Ordinary General Meeting

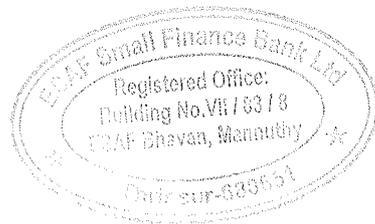
In compliance with Regulation 51(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby intimate that, an Extra-Ordinary General Meeting ("EGM") of M/s ESAF Small Finance Bank Limited will be held on **Thursday, June 29, 2023** at **04:30 P.M** through Video Conferencing (VC)/Other Audio-Visual Means (OAVM). The copy of the Notice of EGM is enclosed herewith for your kind reference. The Notice of EGM has been dispatched electronically to the members whose email IDs are registered with the Company/ Depositories. The EGM Notice is also being made available at the website of M/s ESAF Small Finance Bank Limited at www.esafbank.com. We request you to kindly take the same into your records.

Thanking you,

Yours Faithfully



Ranjith Raj P
Company Secretary and Compliance Officer



ESAF SMALL FINANCE BANK LIMITED

RBI License No.: MUM 124. CIN: U65990KL2016PLC045669

Registered & Corporate Office: ESAF Small Finance Bank Limited, Building No. VII/83/8, ESAF Bhavan, Mannuthy, Thrissur - Palakkad National Highway, Thrissur - 680 651, Kerala.

Ph. No: 0487 7123456, 123457. Email: customercare@esafbank.com www.esafbank.com

NOTICE OF THE EXTRA ORDINARY GENERAL MEETING OF THE BANK

Notice is hereby given that an Extra-Ordinary General Meeting of the Shareholders of ESAF Small Finance Bank Limited (the Bank) will be held on **Thursday, June 29, 2023 at 04.30 PM** through Video Conferencing (VC)/ Other Audio Visual Means (OAVM), to transact the following businesses. The Venue of the meeting shall be deemed to be the Registered and Corporate Office of the Bank situated at Building No. VII/83/8, ESAF Bhavan, Thrissur – Palakkad National Highway, Mannuthy, Thrissur, Kerala, PIN – 680 651.

[This notice is a shorter notice of five (5) days and requisite consents have been obtained from the shareholders pursuant to Section 101(1) of the Companies Act, 2013 in accordance with the Articles of Association of the Bank.]

SPECIAL BUSINESS

Item No. 1 – Approval for Initial Public Offer of Equity Shares

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

“RESOLVED THAT pursuant to the provisions of Sections 23, 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, and the rules and regulations made thereunder, including the Companies (Prospectus and Allotment of Securities) Rules, 2014, each as amended (including any statutory modifications or re-enactment thereof, for the time being in force), (collectively referred to as, the **“Companies Act”**), and in accordance with and subject to the provisions of the Securities Contracts (Regulation) Act, 1956, (**“SCRA”**) and the rules and regulations made thereunder, as amended, and the Securities Contracts (Regulation) Rules, 1957, as amended (**“SCRR”**) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the **“SEBI Regulations”**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**“SEBI Listing Regulations”**) and any other applicable rules, regulations, guidelines, clarifications, circulars and notifications issued by the RBI, SEBI and any other applicable laws, rules and regulations, in India or outside India (including any amendment thereto or re-enactment thereof for the time being in force) (collectively, the **“Applicable Laws”**), and in accordance with the provisions of the memorandum of association and the articles of association of the Bank and the equity listing agreements to be entered into between the Bank and the respective stock exchanges where the Equity Shares are proposed to be listed (**“the Stock Exchanges”**), and subject to any approvals as may be required from the Government of India (**“GoI”**), the Registrar of Companies, Kerala at Ernakulam (**“RoC”**), the Securities and Exchange Board of India (**“SEBI”**), the Reserve Bank of India (**“RBI”**) and all other appropriate statutory authorities and departments (the **“Regulatory Authorities”**) and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions and sanctions, which may be agreed to by the Board of Directors of the Bank (hereinafter referred to as the **“Board”** which term shall include a duly authorized committee thereof for the time being exercising the powers conferred by the Board including the powers conferred by this resolution), the consent and approval of the shareholders, be and is hereby

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accorded to create, issue, offer, allot and/ or transfer in the Offer such number of Equity Shares, for cash either at par or premium such that the amount being raised pursuant to the Offer aggregates up to ₹ 6342.40 million (including share premium), including by way of a fresh issuance of Equity Shares aggregating to ₹ 4867.50 million, out of the authorized share capital of the Bank and/or an offer for sale aggregating up to ₹ 1474.90 million by certain or all of the existing and eligible shareholders of the Bank for cash either at par or premium (with an option to the Bank to retain an over-subscription to the extent of 1% of the net Offer, for the purpose of rounding off to the nearest integer to make allotment while finalizing the basis of allotment in consultation with the designated stock exchange), at a price to be determined, by the Bank and the selling shareholders, in consultation with the Book Running Lead Managers (“BRLMs”), through the book building process in terms of the SEBI Regulations or otherwise in accordance with Applicable Laws, at such premium or discount per Equity Share as permitted under Applicable Laws and as may be fixed and determined by the Bank in consultation with the BRLMs in accordance with the SEBI Regulations, out of the authorized share capital of the Bank to any category of person or persons as permitted under Applicable Laws, who may or may not be the shareholder(s) of the Bank as the Board may, in consultation with the BRLMs decide, including anchor investors, if any, one or more of the members of the Bank, eligible employees (through a reservation or otherwise), Hindu undivided families, employees working in India or abroad, registered foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, venture capital funds, foreign venture capital investors, alternative investment funds, non-resident Indians, state industrial development corporations, insurance companies, provident funds, pension funds, national investment fund, insurance funds set up by army, navy, or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India, trusts/societies registered under the Societies Registration Act, 1860, development financial institutions, systemically important non-banking financial companies, Indian mutual funds, members of group companies, Indian public, bodies corporate, companies, private or public or other entities, whether incorporated or not, authorities, and to such other persons including high net worth individuals, retail individual bidders or other entities, in one or more combinations thereof and/or any other category of investors as may be permitted to invest under Applicable Laws by way of the Offer in consultation with the BRLMs and/or underwriters and/or the stabilizing agent and/or other advisors or such persons appointed for the Offer and on such terms and conditions as may be finalised by the Board and M/s. ESAF Financial Holdings Private Limited (“Corporate Promoter Selling Shareholder”), in consultation with the BRLMs through an offer document, prospectus and/or an offering memorandum, as required, and that the Board and the Corporate Promoter Selling Shareholder in consultation with the BRLMs may finalise all matters incidental thereto as it may in its absolute discretion think fit.”

“**RESOLVED FURTHER THAT**, for the purpose of giving effect to the Offer, the Board in consultation with the BRLMs is hereby authorised to allot Equity Shares and finalise other matters in connection with or incidental to the Offer, including determining any anchor investor portion and allocate such number of Equity Shares to the Anchor Investor in accordance with the SEBI Regulations.”

“**RESOLVED FURTHER THAT**, the Board may invite the existing shareholders of the Bank to participate in the Offer by making an Offer for Sale in relation to such number of Equity Shares held by them, and which are eligible for the Offer for Sale in accordance with the SEBI Regulations, as the Board and the Corporate Promoter Selling Shareholder may determine in consultation with the BRLMs, subject to the receipt of consent of SEBI, Gol, RBI, the Registrar of Companies and/or



such other approvals, permissions and sanctions of all other concerned regulatory authorities and departments, if and to the extent necessary, and subject to such conditions and modifications as may be prescribed in granting such approvals, permissions and sanctions, at a price to be determined by the book building process in terms of the SEBI Regulations, for cash at such premium per share as may be fixed and determined by the Bank and the selling shareholders in consultation with the BRLMs, to such category of persons as may be permitted or in accordance with the SEBI Regulations or other applicable law, if any, as may be prevailing at that time and in such manner as may be determined by the Board and the Corporate Promoter Selling Shareholder in consultation with the BRLMs and/or underwriters and/or the stabilizing agent and/or other advisors or such persons appointed for the Offer.”

“RESOLVED FURTHER THAT the, Board be and is hereby authorized on behalf of the Bank to make available for allocation a portion of the Offer to any category(ies) of persons permitted under Applicable Law, including without limitation, retail individual bidders or eligible employees of the Bank (the **“Reservation”**) or to provide a discount to the offer price to retail individual bidders or eligible employees of the Bank (the **“Discount”**); and to take any and all actions in connection with any Reservation or Discount as the Board may think fit or proper in its absolute discretion, including, without limitation, to negotiate, finalize and execute any document or agreement, and any amendments, supplements, notices or corrigenda thereto; seek any consent or approval required or necessary; give directions or instructions and do all such acts, deeds, matters and things as the Board may, from time to time, in its absolute discretion, think necessary, appropriate, or desirable; and settle any question, difficulty, or doubt that may arise with regard to or in relation to the foregoing resolution.”

“RESOLVED FURTHER THAT the Equity Shares issued or transferred pursuant to the Offer shall be listed at one or more recognized stock exchanges in India.”

“RESOLVED FURTHER THAT in accordance with the provisions of Sections 23, 62(1)(c), 42 and any other applicable provisions, if any, of the Companies Act, 2013, SEBI Regulations and other Applicable Laws and subject to such further corporate and other approvals as may be required, in-principle approval of the Board is hereby accorded to allot Equity Shares for an amount aggregating up to ₹ 973.50 million, to certain investors at an appropriate stage prior to filing of the red herring prospectus with SEBI (**“Pre-IPO Placement”**), at such price as the Board and the selling shareholders may, determine, in consultation with the BRLMs, underwriters, placement agents and / or other advisors, in light of the then prevailing market conditions and in accordance with the Companies Act, the SEBI Regulations and other applicable laws, regulations, policies or guidelines and do all such other acts, deeds, matters and things in connection thereof as the Board or the IPO Committee may, from time to time, in its absolute discretion deem fit and including without limitation, negotiate, finalize and execute any document or agreement, including without limitation any private placement offer letters, placement agreement, term sheet and such other documents or any amendments or supplements, notices or corrigenda thereto and to open any bank account for the purpose, if required, and to open any shares or securities account or escrow or custodian accounts as may be required in connection therewith and generally to do all such acts, deeds, matters and things in relation to all matters incidental to the Pre-IPO Placement or in relation to the foregoing and to settle any question, difficulty, or doubt that may arise with regard thereto or in relation to the foregoing and in the event of consummation of a Pre-IPO Placement, the size of the Offer would be reduced, only from the Fresh Issue portion of the Offer to the extent



of Equity Shares issued under the Pre-IPO Placement, subject to the Offer satisfying the minimum issue size requirements under the SCRR and Applicable Laws.”

“RESOLVED FURTHER THAT in relation to the Offer, the Board either by itself or a sub-committee constituted by the Board be and is hereby authorized to do such acts, deeds and things as the Board or such sub-committee in its absolute discretion deems necessary or desirable in connection with the Offer, in such manner as it may deem fit for the purpose of giving effect to the above resolutions and any transfer and allotment of Equity Shares pursuant to the Offer, including, without limitation, the following:

- a. To make applications, seek clarifications, obtain approvals, consents and seek exemptions from, the Bank’s lenders, industry data providers and/or parties with whom the Bank has entered into various commercial and other agreements including without limitation customers, suppliers, strategic partners of the Bank and/or any/ all concerned governmental and regulatory authorities in India, including, the RBI, SEBI, the relevant registrar of companies and any other governmental or statutory authorities as may be required in connection with the Offer and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required and wherever necessary, incorporate such modifications/ amendments as may be required in the draft red herring prospectus, the red herring prospectus and the prospectus as applicable;
- b. To finalize, settle, approve, adopt and file in consultation with the BRLMs where applicable, the draft red herring prospectus (“DRHP”), the red herring prospectus (“RHP”) the Prospectus, the abridged prospectus and application forms, the preliminary and final international wrap and any amendments, supplements, notices, addenda or corrigenda thereto, and take all such actions as may be necessary for the submission and filing of these documents including incorporating such alterations/ corrections/ modifications as may be required by SEBI, the RoC or any other relevant governmental and statutory authorities or in accordance with Applicable Laws;
- c. To decide in consultation with the selling shareholders and the BRLMs on the Offer Price;
- d. To decide in consultation with the BRLMs, as applicable, the Offer size, timing, pricing, discount, reservation and all the terms and conditions of the Offer, including the price band (including offer price for anchor investors), bid period, discount (if any), reservation, determining the anchor investor portion and allocating such number of Equity Shares to anchor investors in consultation with the BLRMs and to do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Offer including to make any amendments, modifications, variations or alterations in relation to the Offer in accordance with Applicable Laws;
- e. To appoint, enter into and terminate arrangements with the BRLMs, underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, refund bankers to the Offer, registrars, legal advisors, auditors, and any other agencies or persons or intermediaries to the Offer and to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of the mandate letter with the BRLMs and negotiation, finalization, execution and, if required, amendment of the offer agreement with



the BRLMs, in accordance with the provisions of the SEBI Regulations and other Applicable Laws;

- f. To negotiate, finalise and settle and to execute and deliver or arrange the delivery of the DRHP, the RHP, the Prospectus, offer agreement, syndicate agreement, underwriting agreement, share escrow agreement, cash escrow agreement, agreements with the registrar to the offer and all other documents, deeds, agreements and instruments whatsoever with the registrar to the Offer, legal advisors, auditors, stock exchange(s), BRLMs and any other agencies/intermediaries in connection with the Offer with the power to authorize one or more officers of the Bank to execute all or any of the aforesaid documents or any amendments thereto as may be required or desirable in relation to the Offer;
- g. To seek, if required, the consent and/or waiver of the lenders of the Bank, customers, parties with whom the Bank has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents and/or waivers that may be required in relation to the Offer or any actions connected therewith;
- h. To open and operate bank accounts in terms of the escrow agreement and to authorize one or more officers of the Bank to execute all documents/deeds as may be necessary in this regard;
- i. To open and operate bank accounts of the Bank in terms of Section 40(3) of the Companies Act, 2013, as amended, or as may be required by the regulations issued by SEBI and to authorize one or more officers of the Bank to execute all documents/deeds as may be necessary in this regard;
- j. To authorize and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;
- k. To accept and appropriate the proceeds of the Offer in accordance with the Applicable Laws;
- l. To approve code of conduct as may be considered necessary by the IPO Committee or as required under Applicable Laws, regulations or guidelines for the Board, officers of the Bank and other employees of the Bank;
- m. To approve the implementation of any corporate governance requirements that may be considered necessary by the Board or the IPO Committee or as may be required under the Applicable Laws or the SEBI Listing Regulations, as amended and listing agreements to be entered into by the Bank with the relevant stock exchanges, to the extent allowed under law;
- n. To issue receipts/ allotment letters/ confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Bank with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorize one or more officers of the Bank to sign all or any of the aforesaid documents;
- o. To authorize and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer;



- p. To do all such acts, deeds, matters and things and execute all such other documents, etc., as may be deemed necessary or desirable for such purpose, including without limitation, to finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of allotment letters/confirmation of allotment notes, share certificates in accordance with the relevant rules, in consultation with the BRLMs;
- q. To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and / or modify, as the case maybe, agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorize one or more officers of the Bank to execute all or any of the aforesaid documents;
- r. To make applications for listing of the Equity Shares in one or more stock exchange(s) for listing of the Equity Shares and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s) in connection with obtaining such listing including without limitation, entering into listing agreements and affixing the common seal of the Bank where necessary;
- s. To settle all questions, difficulties or doubts that may arise in regard to the Offer, including such issues or allotment, terms of the IPO, utilisation of the IPO proceeds and matters incidental thereto as it may deem fit;
- t. To submit undertaking/ certificates or provide clarifications to the SEBI, Registrar of Companies, Kerala at Ernakulam and the relevant stock exchange(s) where the Equity Shares are to be listed;
- u. To negotiate, finalize, settle, execute and deliver any and all other documents or instruments and to do or cause to be done any and all acts or things as the IPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of this resolution or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing;
- v. To delegate any of its powers set out under (a) to (q) hereinabove, as may be deemed necessary and permissible under Applicable Laws to the officials of the Bank;
- w. To approve suitable policies on insider trading, whistle-blowing, risk management, and any other policies as may be required under the SEBI Listing Regulations or any other Applicable Laws;
- x. To approve the list of 'group of companies' of the Bank, identified pursuant to the materiality policy adopted by the Board, for the purposes of disclosure in the DRHP, the RHP and the Prospectus;



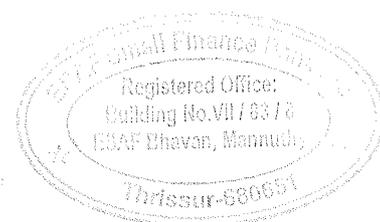
- y. Deciding, negotiating and finalising the pricing and all other related matters regarding the Pre-IPO Placement, including the execution of the relevant documents with the investors in consultation with the BRLMs and in accordance with Applicable Laws;
- z. Taking on record the approval of the selling shareholders for offering their Equity Shares in the Offer for Sale;
- aa. Authorising of the maintenance of a register of holders of the Equity Shares; and
- bb. To withdraw the DRHP or the RHP or to decide to not proceed with the Offer at any stage in accordance with Applicable Laws and in consultation with the BRLMs.

“RESOLVED FURTHER THAT the Equity Shares so allotted under the Offer (including any reservation or green shoe option) shall be subject to the Memorandum of Association and the Articles of Association of the Bank and shall rank *pari passu* in all respects with the existing Equity Shares of the Bank including rights in respect of dividend.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions and any issue and allotment of Equity Shares pursuant to the Offer, the Board and any other committee thereof, in consultation with the BRLMs, be and is hereby authorized to determine the terms of the Offer including the class of investors to whom the Equity Shares are to be allotted, the number of Equity Shares to be allotted, issue price, premium amount, discount (as allowed under Applicable Laws), listing on one or more Stock Exchanges in India as the Board in its absolute discretion deems fit and do all such acts, deeds, matters and things and to negotiate, finalize and execute such deeds, documents agreements and any amendment thereto, as it may, in its absolute discretion, deem necessary, proper or desirable including arrangements with BRLMs, underwriters, escrow agents, legal advisors, etc., to approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer and to settle or give instructions or directions for settling any questions, difficulties or doubts that may arise, in regard to the Offer, allotment of the Equity Shares, and utilization of the Offer proceeds, if applicable and such other activities as may be necessary in relation to the Offer and to accept and to give effect to such modifications, changes, variations, alterations, deletions and/or additions as regards the terms and conditions as it may, in its absolute discretion, deem fit and proper in the best interest of the Bank and the Offer, without requiring any further approval of the members and that all or any of the powers conferred on the Bank and the Board pursuant to these resolutions may be exercised by the Board or such Committee thereof as the Board may constitute in its behalf.”

“RESOLVED FURTHER THAT subject to compliance with Applicable Laws such Equity Shares as are not subscribed may be disposed of by the Board in consultation with the BRLMs to such persons and in such manner and on such terms as the Board in its absolute discretion thinks most beneficial to the Bank including offering or placing them with banks/ financial institutions/ investment institutions/ mutual funds/ bodies corporate/ such other persons or otherwise.”

“RESOLVED FURTHER THAT in connection with any of the foregoing resolutions, the members of the Board and such other persons as may be authorized by the Board, on behalf of the Bank, be and are hereby severally authorized to execute and deliver any and all other documents, papers or instruments, issue and provide certificates and to do or cause to be done any and all acts or



things as may be necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing resolutions for the Offer; and any such documents so executed and delivered or acts and things done or caused to be done shall be conclusive evidence of the authority of the Bank in so doing and any document so executed and delivered or acts and things done or caused to be done prior to the date hereof are hereby ratified, confirmed and approved as the acts and deeds of the Bank, as the case may be.”

“**RESOLVED FURTHER THAT** a copy of the above resolution, certified to be true by any Director or Company Secretary, be forwarded to concerned authorities for necessary actions.”

Item No. 2 – Adoption of the Amended ESAF ESOP PLAN 2019

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

“**RESOLVED THAT**, pursuant to Section 62(1)(b) of the Companies Act, 2013 (the “**Companies Act**”) read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), other applicable provisions, if any, of the Companies Act and rules framed thereunder, the applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“**SBEB & SE Regulations**”) (including any statutory modification(s) or reenactment(s) thereof for the time being in force) provisions contained in the memorandum of association and the articles of association of the Bank, the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 and other rules, regulations, circulars and guidelines that are or may become applicable (“collectively referred herein as the “**Applicable Laws**”) and subject to such approvals, consents, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, consents, permissions and sanctions, as agreed to by the Board of Directors of the Bank (the “**Board**”), which shall include the Board’s duly empowered committee(s) constituted/ to be constituted by the Board to exercise Board’s powers, including the powers conferred by this resolution), the approval of the members, be and is hereby accorded for adoption of amended to ESAF ESOP Plan 2019 (“**ESOP Plan**”) as described in the explanatory statement.”

“**RESOLVED FURTHER THAT**, it is hereby noted that the amendments to the ESOP Plan are being carried out to meet the regulatory requirement in terms of the SBEB & SE Regulations once the Bank is listed.”

“**RESOLVED FURTHER THAT** the Bank shall conform to the accounting policies prescribed from time to time under SEBI SBEB & SE Regulations and any other applicable laws and regulations to the extent relevant and applicable to the ESOP Plan.”

“**RESOLVED FURTHER THAT**, the Board, be and is hereby authorized on behalf of the Bank to make and carry out any modifications, changes, variations, alterations or revisions in the ESOP Plan or to suspend, withdraw or revive the ESOP Plan, in accordance with Applicable Laws, as it may deem fit, to give effect to this resolution.”

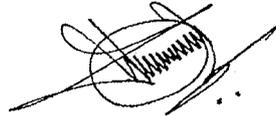


“RESOLVED FURTHER THAT for the purpose of bringing into effect this resolution and generally for giving effect to this resolution, each member of the Board, the head of the HR department and Company Secretary, be and are hereby jointly and severally authorized to do all such acts, deeds, matters and things and to take all steps and do all things and give such directions as may be required, necessary, expedient, incidental or desirable for giving effect to the above and to settle any question or difficulty that may arise in this regard in the best interest of the Bank.”

“RESOLVED FURTHER THAT a copy of the above resolution, certified to be true by any Director or Company Secretary, be forwarded to concerned authorities for necessary actions.”

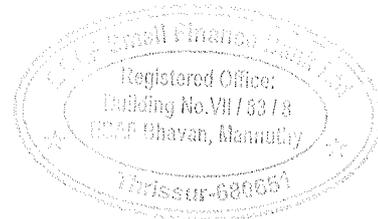
By the order of the Board

For ESAF Small Finance Bank Limited



Ranjith Raj P
Company Secretary
Membership No. A 30388

Place: Thrissur
Date: June 23, 2023



NOTES

- In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) vide its General Circular nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 2/2022 dated May 05, 2022, 10/2022 dated December 28, 2022 and the Securities and Exchange Board of India (“SEBI”) vide its Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 (collectively referred to as the “MCA Circulars”), has permitted companies to hold general meetings through video conferencing (“VC”) or other audio visual means (“OAVM”) without the physical presence of the members at a common venue. Accordingly, the extra-ordinary general meeting (“EGM”) of the members of ESAF Small Finance Bank Limited (“Bank”) will be convened through VC. Hence, members must attend and participate in the ensuing EGM through VC. The registered office of the Bank shall be deemed to be the venue for the EGM.
- This meeting is being called at a shorter notice than the statutory required minimum of 21 clear days. Pursuant to the provisions of Section 101 of the Companies Act, 2013, a general meeting other than annual general meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than ninety-five percent of the members entitled to vote thereat. The members have accordingly given their consents to hold the meeting at a shorter notice.
- Pursuant to the provisions of the Companies Act (as defined below), a member entitled to attend and vote at the general meetings is also entitled to appoint a proxy to attend and vote instead of himself/ herself and such proxy need not be a member of the Bank. Since this EGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the EGM and hence the proxy form and attendance slip are not annexed to this notice. However, the body corporates are entitled to appoint authorized representatives to attend the EGM through VC/ OAVM and participate there at and cast their votes.
- In compliance with the aforesaid MCA Circulars, notice of the EGM as well as the web link for joining the meeting is being sent only through electronic mode to those members whose email addresses are registered with the Bank.
- The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 read with the relevant Rules made thereunder (“Companies Act”), the Secretarial Standard on General Meetings (SS-2), in respect of Item Nos. 1 and 2 of this notice, is annexed herewith and forms part of the notice.
- In case of joint holders, the member whose name appears as the first holder in the order of names as per the register of members of the Bank will be entitled to vote at the EGM.



- Institutional/ corporate shareholders (i.e. other than individuals/ HUF, NRI, etc.) intending to participate and vote during the EGM, are requested to send a scanned copy (pdf/ jpg format) of its board or governing body's resolution/ authorization etc., authorizing their representative to attend and vote in the EGM on their behalf, by sending an e-mail to secretarial@esafbank.com quoting their DP ID and client ID or folio number.
- Members may note that attendance of members through VC shall be counted for the purpose of reckoning quorum under Section 103 of the Companies Act, 2013.
- All documents referred to in the notice and the explanatory statement, and requiring Members' approval, and such statutory records and registers, as are required to be kept open for inspection under the Companies Act, 2013, shall be available for inspection by the members at the registered and corporate office of the Bank during business hours and shall be accessible to the person attending the meeting. In accordance with the MCA Circulars, the said documents have been made accessible for inspection through electronic mode and shall remain open and be accessible to any member till conclusion of the meeting. Any member intending to inspect the documents through electronic mode shall make a request by sending an e-mail to ranjith.raj@esafbank.com.
- Pursuant to Section 20(2) of the Companies Act, 2013 read with Rule 35 of the Companies (Incorporation) Rules, 2014, as amended, companies are permitted to send official documents to their shareholders electronically.
- Those shareholders whose email IDs are not registered are requested to register their e-mail with the Bank, by providing their name, address, e-mail ID, PAN, DPID/ client ID or folio number and number of shares held by them by sending an email to secretarial@esafbank.com.
- Members will be able to attend the EGM through VC provided by clicking on the link given below and entering the login credentials:

- Video Conferencing Solution: **Microsoft Teams Meeting**
- Meeting Access Link:

https://teams.microsoft.com/join/19%3ameetingq_OGU4M2ZjN2QtNzY5Mi00ZDAzLTkzZmUtOTY2Nzg5ZTUzYzBm%40thread.v2/0?context=%7b%22Tid%22%3a%22fdd2dc8e-881b-46d1-9de1-f19c97ce5513%22%2c%22Oid%22%3a%222593aa03-ad58-499e-aaed-594672abe848%22%7d

- The facility of joining the EGM through VC will be opened 15 minutes before and will be open up to 15 minutes after the scheduled start time of the EGM, i.e., from 04:15 P.M. to 04:45 P.M.



- For ease of conduct, members who would like to ask questions/ express their views on the items of the businesses to be transacted at the meeting can send in their questions/ comments in advance by sending an email to ranjith.raj@esafbank.com before 05:00 PM IST on June 28, 2023 mentioning their name, demat account no./ folio no., e-mail id, mobile number etc. The queries may be raised precisely and in brief to enable the Bank to answer the same suitably depending on the availability of time at the meeting. Please note that only questions of the members holding the shares as on cut-off date will be considered.
- Since the EGM will be held through VC / OAVM, the route map is not annexed in this Notice.
- During the meeting, where a poll on any item is required, the members participating through VC shall cast their vote on the resolutions only by sending e-mails from their registered e-mail id registered with the Bank to ranjith.raj@esafbank.com.
- Further, members will be required to use camera, if any, and hence require to use internet with a good speed to avoid any disturbance during the meeting.
- Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/ video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- Members who need technical assistance before or during the EGM can contact the Bank at secretarial@esafbank.com or helpline – 0487-7123548.



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, ANNEXURE TO AND FORMING PART OF THE NOTICE DATED JUNE 23, 2023 IN RESPECT OF SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE EXTRA ORDINARY GENERAL MEETING "EGM" OF ESAF SMALL FINANCE BANK LIMITED (THE "BANK") TO BE HELD ON THURSDAY, JUNE 29, 2023 AT 04.30 PM THROUGH VIDEO CONFERENCING/ OTHER AUDIO VISUAL MEANS]

Item No. 1 – Approval for Initial Public Offer of Equity Shares

In terms of the Guidelines for Licensing of Small Finance Banks in the Private Sector dated November 27, 2014, the Bank is required to list its equity shares on the stock exchanges within three years from attaining a net worth of ₹ 500 crores. In light of the same, the Bank proposes to undertake an initial public offer of its equity shares of face value of ₹ 10 each (the "Equity Shares") which may include, a fresh issue of Equity Shares and an offer for sale of Equity Shares ("Offer for Sale") by certain shareholders of the Bank (the "Selling Shareholders"), (the "Offer") and listing of the Equity Shares on one or more of the stock exchanges.

The Bank proposes to re-file the draft red herring prospectus with the Securities and Exchange Board of India ("SEBI") in light of the SFB Licensing Guidelines and expiry of the SEBI final observations on October 19, 2022.

The Bank intends to undertake the Offer and list its Equity Shares at an opportune time in consultation with the book running lead managers appointed for the Offer (the "BRLMs") and other advisors to be appointed for the Offer and subject to applicable regulatory and other approvals, to the extent necessary.

In view of the above and in terms of Section 62(1)(c), and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder, each as amended, the approval of the shareholders of the Bank is required through a special resolution.

The Bank proposes to create, offer, issue and allot in the issue such number of Equity Shares, for cash either at par or premium such that the amount being raised pursuant to the Offer aggregates up to ₹ 6342.40 million on such terms and at such price and at such time as may be considered appropriate by the board of directors of the Bank (the "Board"), or a duly authorised committee thereof, to the various categories of permitted investors, who may or may not be the shareholder(s) of the Bank, in the initial public offer by way of book building method under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. The Equity Shares, if any, allotted vide the Offer shall rank in all respects *pari passu* with the existing equity shares of the Bank.

The proceeds from the Offer will be utilised for the purpose of augmenting the Bank's Tier-1 capital base to meet the Bank's future capital requirements such as organic growth and expansion and to comply with regulatory requirements for enhanced capital base, as may be prescribed in the future and for general corporate purpose.

The Equity Shares are proposed to be listed on the BSE Limited, the National Stock Exchange of India Limited and any other stock exchange as determined by the Board at its absolute discretion



(together, the "**Stock Exchanges**") and the Bank will be required to enter into listing agreements with each of the Stock Exchanges.

The Bank will not make an offer of Equity Shares to the Promoter of the Bank in the Offer. However, the directors (except independent directors) or the key managerial personnel of the Bank may apply for the Equity Shares in the various categories under the Offer in accordance with the SEBI Regulations.

Other than through their participation in the Offer as mentioned above, none of the directors or managers or key managerial personnel of the Bank or the relatives of the said persons are interested in the said resolution.

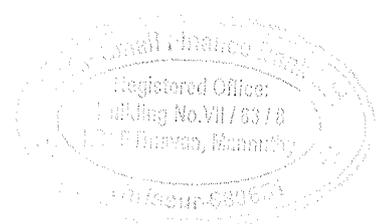
Furthermore, in the event that Equity Shares are allotted to investors pursuant to pre-IPO placement of Equity Shares prior to registering of the red herring prospectus relating to the Offer with the Registrar of Companies, Kerala at Ernakulam, price at which such pre-IPO placement shall be made shall be subject to prevailing market conditions, and shall be decided by the Bank in consultation with the book running lead managers to the Offer.

No change in control of the Bank or its management of its business is intended or expected pursuant to the Offer.

The Board recommends the resolutions in Item No.1 of the Notice for your approval as a special resolution. Accordingly, approval of the members of the Bank is sought to issue Equity Shares under Section 62(1)(c) and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder, each, as amended.

Item No. 2 – Adoption of Amended ESAF ESOP PLAN 2019

The Board proposes to adopt the amended ESAF ESOP Plan 2019 ("**ESOP Plan**") to meet the regulatory requirement in terms of the applicable provisions of the Companies Act, 2013 (the "**Companies Act**") read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SBEB & SE Regulations**") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), provisions contained in the memorandum of association and the articles of association of the Bank, the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 and other rules, regulations, circulars and guidelines that are or may become applicable ("collectively referred herein as the "**Applicable Laws**") and subject to such approvals, consents, permissions and approvals as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, consents, permissions and sanctions, as agreed to by the board of directors of the Bank (the "**Board**"), which shall include the Board's duly empowered committee(s) constituted/ to be constituted by the Board to exercise the Board's powers including the powers conferred by this resolution), once the Bank is listed.

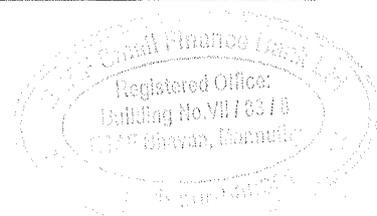


The details of variations in the terms of the ESOP Plan, the rationale thereof and the details of the employees who are beneficiaries of such variation as required under clause (b) of sub-rule (5) of Rule 12 of Companies (Share Capital and Debentures) Rules, 2014, is as below:

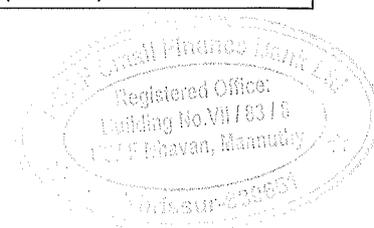
Clause No.	Existing Clause	Amended Clause
Clause 1 – Name, Objectives and Term of the Plan		
1.1	This Employee Stock Option Plan shall be called the 'ESAF Small Finance Bank Employee Stock Option Plan 2019' ("ESOP 2019" / "Plan"/ "Scheme").	This Employee Stock Option Plan shall be called the 'ESAF Small Finance Bank Employee Stock Option Plan 2019' ("ESOP 2019" / "Plan"/ "Scheme"). <i>This Plan has been formulated by the Board (as defined below) of ESAF Small Finance Bank Limited, a small finance bank incorporated pursuant to the Reserve Bank of India in-principle approval dated 07 October, 2015 and having its registered and corporate office at Building No. VII/83/8, ESAF Bhavan, Thrissur-Palakkad National Highway, Mannuthy, Thrissur, PIN – 680 651, Kerala, India.</i>
1.3	-	A new sub-clause is added as follows: <i>"The objectives of the ESAF ESOP Plan 2019 are, among others, to attract and retain employees with employee stock options as a compensation tool. Through the ESAF ESOP Plan 2019, the Bank intends to offer an opportunity of sharing the value created with those employees who have contributed or are expected to contribute to the growth and development of the Bank."</i>
Clause 2 – Definitions and Interpretations		
2.1.ii	"Bank" means ESAF Small Finance	"Bank" means ESAF Small Finance



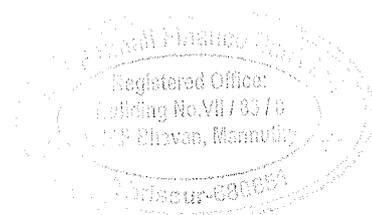
	Bank Limited, a company incorporated under the provisions of the Companies act, 2013 and registered with Reserve Bank of India as a small finance bank registered under Section 22 of Banking Regulation Act, 1949 and having its registered office at Building Number VII/83/8, ESAF Bhavan, Mannuthy, Thrissur-Palakkad National Highway, Thrissur, Kerala - 680 651, India	Bank Limited, a public limited company incorporated under the provisions of the Companies act, 2013 and registered with Reserve Bank of India pursuant to the RBI in-principle approval to establish as a small finance bank on October 7, 2015 , registered under Section 22 of Banking Regulation Act, 1949 and having its registered and corporate office at Building Number VII/83/8, ESAF Bhavan, Mannuthy , Thrissur-Palakkad National Highway, Thrissur, Kerala - 680 651, India.
2.1.x	-	A new definition has been added: “Eligible Employee” means employees as defined in Clause 6.1 of the Scheme.
2.1.xi	<p>“Employee” means (i) a permanent employee of the Bank, working in or out of India; or (ii) a Whole Time Director</p> <p>but excludes:</p> <p>a) an Employee, who is a Promoter or belongs to the Promoter Group; or</p> <p>b) any such Director who either by himself or through his relatives as defined under the Companies Act or through any body corporate as defined under the Companies Act, directly or indirectly holds more than 10% of the outstanding equity shares of the Bank.</p> <p>Provided that upon Listing, the term “Employee” defined here in above shall have the meaning as defined in the Securities and Exchange Board of India (Share Based Employee</p>	<p>“Employee” means (i) a permanent employee of the Bank, working in or out of India; or (ii) a Whole Time Director</p> <p>but excludes:</p> <p>a) an Employee, who is a Promoter or belongs to the Promoter Group; or</p> <p>b) any such Director who either by himself or through his relatives as defined under the Companies Act or through any body corporate as defined under the Companies Act, directly or indirectly holds more than 10% of the outstanding equity shares of the Bank.</p> <p>Provided that upon Listing, the term “Employee” defined here in above shall have the meaning as defined in the Securities and Exchange Board of India (Share Based Employee</p>



	Benefits) Regulations, 2014, as amended.	Benefits <i>and Sweat Equity</i>) Regulations, 2021, as amended.
2.1.xvi	“Exercise Period” means such time period after Vesting within which the Employee should exercise the Options vested in him in pursuance of the ESOP 2019.	“Exercise Period” means such time period after Vesting within which the Employee should exercise the Options vested in him <i>to apply for Equity Shares against the Vested Options</i> in pursuance of the ESOP 2019.
2.1.xviii	“Grant” means issue of Options to the Employees under the ESOP 2019.	“Grant” means <i>the process by which the Bank issues</i> Options to the Employees under the ESOP 2019.
2.1.xxi	<p>“Market Price” means the fair market value of a Share, as determined by a Category I Merchant Banker registered with SEBI, based on the Board Approved Financial Statements within 6 months prior to the date of Grant.</p> <p>Provided that upon Listing, the term ‘Market Price’ shall have the meaning as assigned to in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.</p>	<p>“Market Price” means the fair market value of a Share, as determined by a Category I Merchant Banker registered with SEBI, based on the Board Approved Financial Statements within 6 months prior to the date of Grant.</p> <p>Provided that upon Listing, the term ‘Market Price’ shall have the meaning as assigned to in the Securities and Exchange Board of India (Share Based Employee <i>Benefits and Sweat Equity</i>) Regulations, 2021.</p>
2.1.xxii	“Nomination Remuneration and Compensation Committee” means the Nomination Remuneration and Compensation Committee of the Board, as constituted or reconstituted from time to time, to administer and supervise the employee stock option plans of the Bank.	“Nomination Remuneration and Compensation Committee” means the Nomination Remuneration and Compensation Committee of the Board, as constituted or reconstituted from time to time <i>in accordance with the Companies Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015</i> , to administer



		and supervise the employee stock option plans of the Bank.
2.1.xxvii	<p>“Promoter” means:</p> <p>(i) who has been named as such in a prospectus or is identified by the Bank in the annual return referred to in Section 92 of the Companies Act;</p> <p>(ii) who has control over the affairs of the Bank, directly or indirectly whether as a shareholder, Director or otherwise; or</p> <p>(iii) in accordance with whose advice, directions or instructions the Board is accustomed to act:</p> <p>Provided that nothing in Sub-clause (iii) shall apply to a person who is acting merely in a professional capacity.</p> <p>Provided further that upon Listing, the term “Promoter” defined herein above shall have same meaning as defined in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended.</p>	<p>“Promoter” shall have the same meaning assigned to it under the Companies Act, 2013 until the Initial Public Offer and thereafter it shall be as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.</p>
2.1.xxix	-	<p>A new definition has been added:</p> <p>“Relative” shall have the same meaning as defined under section 2(77) of the Companies Act.”</p>
2.1.xxxi	<p>“SEBI SBEB Regulations” means the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended and re-enacted from time to time and includes any clarifications or circulars issued thereunder.</p>	<p>“SEBI SBEBSE Regulations” means the Securities and Exchange Board of India (Share Based Employee Benefits <i>and Sweat Equity</i>) Regulations, 2021 as amended and re-enacted from time to time</p>



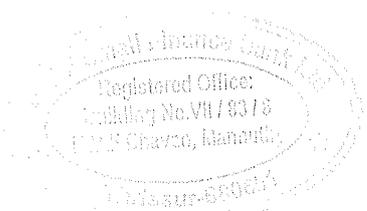
		time and includes any clarifications or circulars issued thereunder.
2.1.xxxiii	“ Stock Exchange ” means the National Stock Exchange of India Ltd., BSE Ltd., or any other recognized Stock Exchange in India on which the Bank’s Shares are listed or to be listed in future.	“ Stock Exchange ” means the National Stock Exchange of India Ltd., BSE Ltd., or any other recognized Stock Exchange in India, <i>which has been granted recognition under section 4 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956)</i> on which the Bank’s Shares are listed or to be listed in future.
2.1.xxxvi	“ Vesting ” means earning by the Option Grantee, of the right to Exercise the Options granted to him in pursuance of the ESOP 2019.	“ Vesting ” <i>means the process by which the Option Grantee becomes entitled to receive the benefit of a Grant made to him/ her under the ESOP 2019.</i>
Clause 4 – Administration		
4.1	The ESOP 2019 shall be administered by the Nomination Remuneration and Compensation Committee. All the functions relating to superintendence and administration of this ESOP 2019 shall stand possessed with the Nomination Remuneration and Compensation Committee in which case the rights, powers, duties or liabilities of the Board to the extent delegated along with that contemplated under SEBI SBEB Regulations shall be discharged by the Nomination Remuneration and Compensation Committee. All questions of interpretation of the ESOP 2019 shall be determined by the Nomination Remuneration and Compensation Committee and such determination shall be final and binding upon all persons having an interest in the ESOP 2019	The ESOP 2019 shall be administered by the Nomination Remuneration and Compensation Committee <i>working under the powers delegated by the Board in accordance with Section 179 of the Companies Act.</i> All the functions relating to superintendence and administration of this ESOP 2019 shall stand possessed with the Nomination Remuneration and Compensation Committee in which case the rights, powers, duties or liabilities of the Board to the extent delegated along with that contemplated under SEBI <i>SBEBSE</i> Regulations shall be discharged by the Nomination Remuneration and Compensation Committee. All questions of interpretation of the ESOP 2019 shall be determined by the Nomination Remuneration and Compensation Committee and such



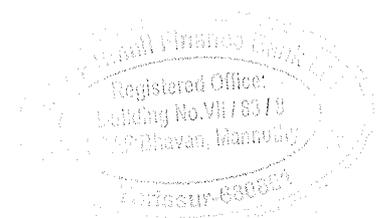
		determination shall be final and binding upon all persons having an interest in the ESOP 2019.
4.2	l) The procedure for cashless Exercise of Employee Stock Options, if required;	<p>l) The procedure for cashless Exercise of Employee Stock Options, if required, <i>in accordance with Applicable Law;</i></p> <p>n) <i>The Grant, Vesting and Exercise of Options in case of employees who are on long leave;</i></p> <p>o) <i>the procedure for funding the Exercise of Options;</i></p> <p>p) <i>the procedure for buy-back of specified securities issued under SEBI SBEBSE Regulations, if to be undertaken at any time by the Bank, and the applicable terms and conditions, including: (i) permissible sources of financing for buy-back; (ii) any minimum financial thresholds to be maintained by the Bank as per its last financial statements; and (iii) limits upon quantum of specified securities that the Bank may buy-back in a financial year;</i></p>
Clause 7 – Vesting Schedule		
-	Options granted under ESOP 2019 shall vest within the minimum period of One (1) year and maximum period of Four (4) years from the date of Grant of such Options as indicated in the letter of grant.	Options granted under ESOP 2019 shall vest within the minimum period of One (1) year and maximum period of Four (4) years from the date of Grant of such Options as indicated in the letter of grant. <i>Provided further that in the event of death or permanent incapacity of an employee, the minimum vesting period of one year shall not be applicable.</i>
Clause 8 – Exercise		



<p>8.2.(b) - Exercise Period in case of separation from employment/ service: The Vested Options can be exercised subject to treatment of Unvested Options as per provisions outlined herein below:</p>	<p>Sl. No. 3. Retirement/ early Retirement approved by the Bank</p> <p><u>Vested Options</u> All Vested Options as on date of retirement shall be exercisable by the Option Grantee on or before the last working day in the Bank.</p> <p><u>Unvested Options</u> All the Unvested Options shall stand cancelled with effect from the date of vesting schedules even after retirement unless otherwise determined by the Nomination Remuneration and Compensation Committee.</p>	<p>Sl. No. 3. Retirement/ early Retirement approved by the Bank</p> <p><u>Vested Options</u> All Vested Options as on date of retirement shall be exercisable during the exercise period even after retirement or superannuation.</p> <p><u>Unvested Options</u> All the Unvested Options would continue to vest in accordance with the vesting schedules even after retirement or superannuation.</p>
	<p>Sl. No. 4. Death</p> <p><u>Vested Options</u> All Vested Options as on date of death shall be exercisable by the nominee or legal heirs of the Option immediately after, but in no event later than six (6) months from the date of death of the Option Grantee.</p> <p><u>Unvested Options</u> All the Unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heir in the manner prescribed for the Vested Options.</p>	<p>Sl. No. 4. Death</p> <p><u>Vested Options</u> All Vested Options as on date of death shall be exercisable by the nominee or legal heirs of the Option immediately after the date of death of the Option Grantee.</p> <p><u>Unvested Options</u> All the Unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heir in the manner prescribed for the Vested Options.</p>
	<p>Sl. No. 5. Permanent Disability</p> <p><u>Vested Options</u> All Vested Options as on date of incurring the Permanent Disability shall be exercisable by the Option Grantee immediately after, but in no</p>	<p>Sl. No. 5. Permanent Disability</p> <p><u>Vested Options</u> All Vested Options as on date of incurring the Permanent Disability shall be exercisable by the Option</p>



	<p>event later than six (6) months from the date of death of the Option Grantee.</p> <p><u>Unvested Options</u> All Unvested Options as on the date of incurring Permanent Disability shall vest immediately and may be exercised by the Option Grantee in the manner prescribed for the Vested Options.</p>	<p>Grantee immediately after the date of death of the Option Grantee.</p> <p><u>Unvested Options</u> All Unvested Options as on the date of incurring Permanent Disability shall vest immediately and may be exercised by the Option Grantee in the manner prescribed for the Vested Options.</p>
	<p>Sl. No. 7. Termination due to any other reason apart from those mentioned above</p> <p><u>Vested Options</u> The Nomination Remuneration and Compensation Committee shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.</p> <p><u>Unvested Options</u> All Unvested Options on the date of such termination shall stand cancelled with effect from that date.</p>	<p>Sl. No. 7. Termination due to any other reason apart from those mentioned above</p> <p><u>Vested Options</u> The Nomination Remuneration and Compensation Committee shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.</p> <p><u>Unvested Options</u> <i>The Nomination Remuneration and Compensation Committee shall decide whether to cancel any Unvested Options as on that date, and such decision shall be final.</i></p>
8.3	-	<p>A new clause has been added:</p> <p><i>“The Bank may frame an appropriate policy with respect to the death or permanent incapacity of an employee, subject to compliance with applicable laws.”</i></p>
Clause 9 – Right to prescribe for cashless Exercise of Options		
9.1	Notwithstanding anything contained in the foregoing provisions relating to Exercise of Options, the Board is	Notwithstanding anything contained in the foregoing provisions relating to Exercise of Options, the Board is



	entitled to specify such procedures and mechanisms for the purpose of implementing the cashless Exercise of Options as may be necessary and the same shall be binding on all the Option Grantees. The procedure may inter alia require the Option Grantees to authorize any person nominated by the Bank to deal with the Options on the Option Grantees' behalf till the realization of sales proceeds.	entitled to specify such procedures and mechanisms for the purpose of implementing the cashless Exercise of Options as may be necessary and the same shall be binding on all the Option Grantees, subject to compliance with Applicable Law. The procedure may inter alia require the Option Grantees to authorize any person nominated by the Bank to deal with the Options on the Option Grantees' behalf till the realization of sales proceeds.
Clause 10 – Lock-in		
10.1	The Shares issued upon Exercise of Options shall be freely transferable and shall not be subject to any lock-in period restriction after such Exercise.	The Shares issued upon Exercise of Options shall be freely allotted/ transferable and shall not be subject to any lock-in period restriction after such Exercise.
Clause 14 – Authority to vary terms		
-	The Nomination Remuneration and Compensation Committee may, if it deems necessary, vary the terms of ESOP 2019, subject to the Applicable Laws and the conditions of the shareholders' approval by way of a special resolution in such manner which is not detrimental to the interest of employee. However, the Bank shall be entitled to vary the terms of the scheme to meet any regulatory requirements. Furthermore in case of Listing, the Board is authorized to do such acts, deeds and things including but not limited to amendment of this Plan to make the Plan compliant of any Applicable Laws prevailing at that time.	The Nomination Remuneration and Compensation Committee may, if it deems necessary, vary the terms of ESOP 2019, subject to the Applicable Laws and the conditions of the shareholders' approval by way of a special resolution in such manner which is not detrimental to the interest of employee. However, the Bank shall be entitled to vary the terms of the scheme to meet any regulatory requirements. <i>Upon Listing of Equity Shares of the Bank, the Bank may by special resolution of its shareholders vary the terms of the schemes offered pursuant to an earlier resolution of the general body but not yet exercised by the employees, if such variation is not prejudicial to the interests of the employees However, the Board of Directors/</i>



		<i>Nomination Remuneration and Compensation Committee shall be entitled to vary the terms of the schemes to meet any regulatory requirement without seeking shareholders' approval by special resolution.</i>
Clause 16 – Accounting and Disclosures		
16.1	The Bank shall follow the laws/regulations applicable to accounting and disclosure related to Options, including but not limited to the Indian Generally Accepted Accounting principles (IGAAP), as applicable to Bank, on Accounting for Employee Share-based Payments and/ or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.	The Bank shall follow the laws/regulations applicable to accounting and disclosure related to Options, including but not limited to, <i>the disclosure requirements of the Accounting Standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including any 'Guidance Note on Accounting for employee share based Payments' issued in that regard from time to time.</i>
Clause 17 – Governing Laws and Jurisdiction		
17.1	The terms and conditions of the ESOP 2019 shall be governed by and construed in accordance with the Applicable Laws of India including the Foreign Exchange Laws.	<i>This Plan and all agreements thereunder shall be governed by and construed in accordance with the Applicable Laws.</i> The terms and conditions of the ESOP 2019 shall be governed by and construed in accordance with the Applicable Laws of India including the Foreign Exchange Laws.
Clause 20 – Confidentiality		
20.1	An Option Grantee must keep the details of the ESOP 2019 and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peer, colleagues, co-employees or with any employee and/ or associate of the Bank or that of its affiliates. In	An Option Grantee must keep the details of the ESOP 2019 and all other documents in connection thereto strictly confidential and <i>that the Option Grantee cannot reveal/disclose</i> the details with any of his/her peer, colleagues, co-employees or with any employee



	<p>case Option Grantee is found in breach of this Clause, the Bank shall have undisputed right to terminate any agreement/ Grant and all unexercised Options shall stand cancelled immediately. The decision and judgment of the Nomination, Remuneration and Compensation Committee regarding breach of this Clause on confidentiality shall be final, binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this Clause, the Nomination Remuneration and Compensation Committee shall have the authority to deal with such cases as it may deem fit.</p>	<p>and/ or associate of the Bank or that of its affiliates. In case Option Grantee is found in breach of this Confidentiality Undertaking, the Bank shall have undisputed right to terminate any agreement/forfeit the Grant and all unexercised Options shall stand cancelled immediately. The decision and judgment of the Nomination, Remuneration and Compensation Committee regarding breach of this Clause on confidentiality shall be final, binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this Clause, the Nomination Remuneration and Compensation Committee shall have the authority to deal with such cases as it may deem fit.</p>
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Rationale for the variation of the ESOP Plan

- (a) The amendments, including those mentioned herein, are proposed to be undertaken in order to comply with the SEBI SBEB & SE Regulations on the listing of the Company, and make corresponding changes in the ESOP Plan.
- (b) The proposed amendments also contain certain editorial changes, and consistency changes.
- (c) The proposed amendments are not detrimental to the interests of the current option grantees of the Company.

Details of the employees who are beneficiaries of such variation

All eligible employees to whom the options have been granted under the ESOP Plan.

None of the directors, key managerial personnel, of the Bank or the relatives of the aforementioned persons are interested in the said resolution.

The Board recommends the resolutions set out at Resolution No. 2 of the accompanying Notice for your approval as special resolution.

