



**NOTICE FOR CONVENING
THE 07TH ANNUAL GENERAL MEETING OF
ESAF SMALL FINANCE BANK LIMITED**

ESAF Small Finance Bank Limited

CIN: U65990KL2016PLC045669

Registered Office and Corporate Office Address: Building No. VII/83/8, ESAF Bhavan,

Thrissur - Palakkad National Highway, Mannuthy, Thrissur, Kerala, Pin - 680 651

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NOTICE FOR CONVENING THE 07TH ANNUAL GENERAL MEETING OF THE BANK

Notice is hereby given that the Seventh Annual General Meeting (“AGM”) of Shareholders of ESAF Small Finance Bank Limited (the “Bank”), will be held on **Friday, December 29, 2023** at **03.00 PM (IST)** through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”), to transact the following businesses.

ORDINARY BUSINESS

1. To receive, consider and adopt the Standalone Audited Financial Statements of the Bank for the Financial year ended March 31, 2023, together with the schedules and annexures thereto, the reports of the Board of Directors and the Auditors thereon.

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

“**RESOLVED THAT** the Audited Financial Statements of the Bank for the Financial Year ended March 31, 2023 together with the schedules and annexures thereto and the reports of the Board of Directors and the Auditors thereon as circulated, be and are hereby received, considered and adopted.”

2. To re-appoint Shri. John Samuel (DIN: 07725212), who retires by rotation this year, and being eligible, offered himself for re-appointment.

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

“**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, Shri. John Samuel (DIN: 07725212), who retires by rotation at this meeting, be and is hereby re-appointed as Non-Executive Nominee Director of the Bank.”

3. To appoint M/s. Kirtane and Pandit, Chartered Accountants (Firm Registration Number: 105215W/W100057), as one of the Joint Statutory Auditors of the Bank and fixing of remuneration of Joint Statutory Auditors.

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

“**RESOLVED THAT** pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (“SEBI Regulations”), the applicable provisions of the Banking Regulation Act, 1949 including relevant circulars, notifications, guidelines issued in this regard by the Reserve Bank of India (“RBI”) and any other applicable laws as applicable in this regard, (including any statutory modification(s) or reenactment(s) thereof, for the time being in force) and in terms of approval granted by the RBI vide its letter dated June 23, 2023 for Financial Year 2023-24, M/s. Kirtane and Pandit, Chartered Accountants (Firm Registration Number: 105215W/W100057), be and are hereby appointed as one of the Joint Statutory Auditors of the Bank to hold the office for a period of three financial years, from the conclusion of the 07th Annual General Meeting until the conclusion of the 10th Annual General Meeting of the Bank, subject to the approval of the Reserve Bank of India to be obtained by the Bank for the Financial Year 2024-25 and Financial Year 2025-26.”

“**RESOLVED FURTHER THAT** pursuant to the provisions of Section 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Section 30 of the Banking Regulation Act, 1949 and the guidelines and circulars issued by the

Reserve Bank of India ("RBI") in this regard, from time to time, including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof, for the time being in force, the approval of the members of the Bank, be and is hereby accorded for payment of an overall audit fee not exceeding Rs. 80,00,000/- (Rupees Eighty Lakh Only) per financial year, to be paid and allocated between the Joint Statutory Auditors as may be mutually agreed between the Bank and the Joint Statutory Auditors, depending upon their respective scope of work and reimbursement of actual out-of-pocket expenses, goods and services tax and such other tax(es) as may be applicable."

"RESOLVED FURTHER THAT the Board of Directors of the Bank, including the Audit Committee of the Board or any other person(s) authorized by the Board or Audit Committee in this regard, be and is hereby authorized on behalf of the Bank to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or desirable for such purpose and with the power to settle all questions, difficulties or doubts that may arise with regard to the implementation of the resolution, including but not limited to determination of roles and responsibilities/ scope of work of the respective Joint Statutory Auditors, negotiating, finalizing, amending, signing, delivering, executing the terms of appointment, including any contract or document in this regard and to alter and vary the terms and conditions of remuneration arising out of increase in scope of work, amendment in Accounting Standards or regulations and such other requirements resulting in the change in scope of work etc., without being required to seek any further consent or approval of the Members of the Bank."

SPECIAL BUSINESS

4. Appointment of Shri. Biju Varkkey (DIN: 01298281) as Non-Executive Independent Director of the Bank

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and 160, Schedule IV, and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with the Companies (Appointment and Qualification of Directors) Rules, 2014, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations") and Section 10A and other applicable provisions of the Banking Regulation Act, 1949 including relevant circulars, notifications, guidelines issued in this regard by the Reserve Bank of India ("RBI") and any other applicable laws (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the provisions of the Articles of Association of the Bank and based on the

recommendations of the Nomination, Remuneration and Compensation Committee of the Board and the Board of Directors, Shri. Biju Varkkey, holding DIN: 01298281, who was appointed as an Additional Non-Executive Independent Director on the Board of Directors of the Bank with effect from August 17, 2023, pursuant to provisions of Section 161 of the Companies Act, 2013 to hold office up to the date of the ensuing Annual General Meeting, who has submitted consent to act as a Director of the Bank in Form DIR-2, that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and SEBI Regulations and that he meets the fit and proper criteria laid down by the Reserve Bank of India and in respect of whom the Bank has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Independent Director of the Bank, to hold office for a period of three (3) consecutive years with effect from August 17, 2023 up to August 16, 2026, whose office shall not be liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors of the Bank, be and is hereby authorized to execute all such agreements, documents, instruments and writings as deemed necessary and to file requisite forms or applications with statutory / regulatory authorities, with power to alter and vary the terms and conditions of the said appointment and settle all questions, difficulties or doubts that may arise in this regard, as they may in their sole and absolute discretion deem fit and to do all such acts, deeds, matters and things as may be considered necessary and appropriate and to delegate all or any of its powers herein conferred to any committee(s) / director(s) / officer(s) of the Bank, to give effect to this resolution."

5. Appointment of Dr. Joseph Vadakkekara Antony (DIN: 00181554) as Non-Executive Director of the Bank

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

"RESOLVED THAT pursuant to the provisions of Section 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with the Companies (Appointment and Qualification of Directors) Rules, 2014, the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations") and Section 10A and other applicable provisions of the Banking Regulation Act, 1949 including relevant circular, notification, guidelines issued in this regard by the Reserve Bank of India ("RBI") and any other applicable laws (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, provisions of the Articles of Association of the Bank and based on the recommendations of the Nomination, Remuneration and Compensation Committee of the Board and the Board of Directors, Dr. Joseph Vadakkekara Antony holding DIN: 00181554, who was appointed as an Additional Non-Executive Director on the Board of Directors of the Bank with effect from November 18, 2023, pursuant to provisions of Section 161 of the Companies Act, 2013 to hold office up to the date of the ensuing Annual General Meeting, who has submitted consent to act as a Director of the Bank in Form DIR-2, who has submitted a declaration that he meets the fit and proper criteria laid down by the Reserve Bank of India and in respect of whom the Bank has received a notice in writing under Section 160(1) of the Act from a member, signifying his intention to propose his candidature for the office of Director, be and is hereby appointed as the Non-Executive Director of the Bank, to hold office for a period of two (2) consecutive years, with effect from November 18, 2023 up to November 17, 2025, and whose office shall be liable to retire by rotation.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Bank, be and is hereby authorized to execute all such agreements, documents, instruments and writings as deemed necessary and to file requisite forms or applications with statutory / regulatory authorities, with power to alter and vary the terms and conditions of the said appointment and settle all questions, difficulties or doubts that may arise in this regard, as they may in their sole and absolute discretion deem fit and to do all such acts, deeds, matters and things as may be considered necessary and appropriate and to delegate all or any of its powers herein conferred to any committee(s) / director(s) / officer(s) of the Bank, to give effect to this resolution.”

6. Revision of Remuneration of Shri. Kadambelil Paul Thomas (DIN: 00199925), Managing Director and Chief Executive Officer of the Bank

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196 and 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (the “Act”) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Regulations”) and provisions of Section 35B and other applicable provisions, if any, of the Banking Regulation Act, 1949 and the rules, circulars and guidelines issued by the Reserve Bank of India (the “RBI”) in this regard, from time to time, and any other applicable laws, (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the approval granted by Reserve Bank of India vide its letter no. CO.DOR.HGG.No.S4452/ 29-44-005/ 2023-24 dated November 03, 2023 and subject to all other requisite approvals, permissions and sanctions as may be required and subject to such conditions as may be prescribed by any statutory authority and in consonance with the provisions of Articles of Association of the Bank and based on the recommendations of the Nomination, Remuneration and Compensation Committee of the Board (“NRCCB”) and Board of Directors of the Bank, approval of the members of the Bank, be and is hereby accorded for remuneration payable to Shri. Kadambelil Paul Thomas (DIN: 00199925), Managing Director and Chief Executive Officer of the Bank for the financial years 2022-23 and 2023-24, in the manner given below:

(INR in Lakh / Annum)

Compensation	With effect from April 01, 2022	With effect from April 01, 2023
A. Fixed Pay and Perquisites		
Basic Pay	166.37	189.1
Retirals	16.63	18.9
Allowances	7	7
Perquisites (includes Free Furnished House and its maintenance/ HRA, Conveyance Allowance/ Free use of bank’s car for official and private purposes, Driver(s) salary, Club Membership(s), Reimbursement of medical expenses, Medical Insurance Premium, Reimbursement of Entertainment Expenditure, Travelling and Halting Allowance etc.)	17	17
Total Fixed Pay (including Perquisites) (A)	207	232

B. Variable Pay		
Cash Component	145	211*
Non Cash Components (Share linked instruments)	NIL	NIL
Total Variable Pay (B)	145	211*
Total Compensation (A+B)	352	443

*Subject to approval by the Reserve Bank of India.

“RESOLVED FURTHER THAT the payment of variable pay for the financial year 2023-24, shall be with the approval of the Reserve Bank of India, as may be required.”

“RESOLVED FURTHER THAT in the event of absence or inadequacy of net profit in any financial year, the remuneration payable to Shri. Kadambelil Paul Thomas, shall be governed by Section II of Part II of Schedule V of the Act and rules made thereunder, as amended from time to time.”

“RESOLVED FURTHER THAT to give effect to this resolution, the Board (including duly constituted Nomination Remuneration and Compensation Committee of the Board), be and is hereby authorised to do all deeds, matters, things, acts, and to execute any agreements, documents and writings, as may be deemed necessary, including but not limited to making correspondences with the RBI or any other regulatory authority and/or to settle all questions, difficulties or doubts that may arise in this regard, and to delegate all or any of its powers herein conferred to any Director(s)/ Officer(s) of the Bank.”

7. Borrowing / raising of funds, by issue of debt securities on a Private Placement basis

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

“RESOLVED THAT pursuant to the provisions of Sections 42, 71, 179 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Share Capital and Debenture) Rules 2014 and the Companies (Prospectus and Allotment of Securities) Rules 2014, the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the relevant provisions of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (“SEBI Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force), applicable provisions of the Banking Regulation Act, 1949, the Foreign Exchange Management Act, 1999 including the rules, circulars and guidelines issued by Reserve Bank of India (“RBI”), SEBI Operational Circular No. SEBI/

HO/ DDHS/ P/ CIR/ 2021/ 613 dated August 10, 2021, the relevant provisions of Memorandum and Articles of Association of the Bank and subject to the rules, regulations, guidelines and circulars issued thereunder from time to time by the Reserve Bank of India (“RBI”), Securities and Exchange Board of India (“SEBI”) or any other Statutory / Regulatory Authorities, and such other approvals, consents and sanctions as may be necessary, the consent of members of the Bank, be and is hereby accorded to the Board of Directors (herewith referred to as the Board which expression shall also include a Committee thereof, or any other persons to whom powers are delegated by the Board as permitted under Companies Act, 2013) of the Bank for borrowing or raising funds in Indian or any other permitted Foreign Currency by issue of non-convertible debt securities including but not limited to, long term bonds, sustainable / ESG Bonds (including green bonds), non-convertible debentures, perpetual debt instruments, AT 1 Bonds and Tier II Capital Bonds or such other debt securities as may be permitted under the RBI guidelines, in one or more tranches and / or series and / or under one or more placement memorandum and / or one or more letters of offer, on such terms and conditions for each series / tranches, until the conclusion of the Eighth Annual General Meeting, on a private placement basis, for an amount not exceeding in aggregate Rs. 500,00,00,000/- (Rupees Five Hundred Crore Only), within the overall borrowing limits of the Bank, on such terms and conditions, at such times at par or at such premium/discount, and to any category of investors who are permitted to invest in Banks, as may be decided by the Board.”

“RESOLVED FURTHER THAT the Board or any Committee of the Board or such other persons as may be authorized by the Board, be and is hereby authorized to appoint merchant bankers, underwriters, guarantors, depositories, custodians, registrars, trustees, stabilizing agents, bankers, lawyers, advisors and all such agencies as may be involved or concerned in the issue and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, contracts/agreements, memoranda, documents, etc., with such agencies, to seek the listing of debt securities in one or more recognized stock exchange(s) as may be required.”

“RESOLVED FURTHER THAT the Board of Directors of the Bank or any Committee of the Board or such other persons as may be authorized by the Board, be and are hereby authorized to negotiate, modify and finalize the terms and conditions of the debt securities and sign the relevant documents/agreements in connection with the private placement of the debt securities, including without limitation, the private placement offer letter (along with the application form), information memorandum, disclosure documents, debenture subscription agreement, debenture trust deed and any other documents as may be required, in connection with the offering(s), issuance(s) and/or allotment(s) on private placement of debt securities by the Bank and to further delegate the above powers to any Committee of Directors or any personnel of the Bank to act on their behalf as they may deem fit and to do all such other acts and things and to execute all such documents as may be necessary for giving effect to this resolution.”

8. Ratification and Amendment of “ESAF SMALL FINANCE BANK EMPLOYEES STOCK OPTION PLAN 2019” (“ESAF ESOP PLAN - 2019” / “ESOP 2019” / “the Plan”)

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

“RESOLVED THAT pursuant to the special resolution passed by the members at the Extraordinary General Meetings held on January 03, 2023 and on June 29, 2023 prior to initial public offering (“IPO”) of equity shares by the Bank and the provisions of Section 62(1)(b) and other applicable provisions of the Companies Act, 2013 (“the Act”) read with the Companies (Share Capital and Debentures) Rules, 2014, the Memorandum and Articles of Association of the Bank, the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SBEB Regulations”), the provisions of Foreign Exchange Management Act, 1999 (“FEMA”), the rules and regulations framed thereunder and any rules, circulars, notifications, guidelines and regulations issued by the Reserve Bank of India (“RBI”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the provisions of any regulations/guidelines prescribed by the Securities and Exchange Board of India (“SEBI”) and other applicable laws for the time being in force (including any amendment thereto or modification(s) or re-enactment(s) thereof from time to time) and subject to any applicable approval(s), consent(s), permission(s) and sanction(s) of any authority(ies) including condition(s) and modification(s) as may be prescribed or imposed by such authority(ies) while granting such approval(s), consent(s), permission(s) and sanction(s), and the acceptance of such condition(s) or modification(s) by the Board of Directors

of the Bank (hereinafter referred to as the “Board” which term shall be deemed to include any Committee of the Board, including the Nomination, Remuneration and Compensation Committee of the Board (“NRCCB”), which the Board has constituted to exercise its powers, including the powers, conferred by this resolution read with Regulation 5 of SEBI SBEB Regulations), “ESAF Small Finance Bank Employees Stock Option Plan 2019” (“ESOP 2019”/“the Plan”), be and is hereby ratified within the meaning of Regulation 12 of SBEB Regulations and amended and the consent of the Members, be and is hereby accorded to the Board to create, offer, grant, issue, vest, allot such number of options which shall not exceed 22,515,552 (Two Crore Twenty-Five Lakh Fifteen Thousand Five Hundred and Fifty-Two) exercisable into Equity Shares (of face value of Rs. 10/-) not exceeding 22,515,552 (Two Crore Twenty-Five Lakh Fifteen Thousand Five Hundred and Fifty-Two) in one or more tranches, from time to time, to the employees of the Bank, whether working in India or out of India, present or future, as may be decided by the Board and permitted under the SBEB Regulations but does not include an employee who is a promoter or a person belonging to the promoter group (“Eligible Employees”), with each option giving a right, but not an obligation, to the Eligible Employees and that the grant of options, vesting and exercise thereof shall be in and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Plan and the Scheme, the accounting policies, SBEB Regulations and in due compliance with the applicable laws and regulations in force.”

“RESOLVED FURTHER THAT the Board of Directors of the Bank, be and is hereby authorized to issue and allot equity shares upon exercise of options from time to time in accordance with the ESAF ESOP PLAN – 2019 and the shares so issued shall rank pari passu in all respects with the existing Equity Shares of the Bank.”

“RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, stock splits, consolidation of shares, change in capital structure, merger, sale of division/undertaking or other re-organization, the outstanding options to be granted under the Scheme shall be suitably adjusted for the number of options as well as the exercise price, as applicable and that the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under applicable laws, so as to ensure that fair and equitable benefits under the Scheme are passed on to the Eligible Employees.”

“RESOLVED FURTHER THAT the Board of Directors of the Bank, be and is hereby authorized to make any modifications / changes revisions in the Plan or suspend / withdraw / revive the Plan as deem fit, from time to time, provided that the same is in conformity with the Companies Act 2013 and the rules made thereunder and

SEBI SBEB Regulations, as amended, the Memorandum and Articles of Association of the Bank and any other applicable laws, rules and regulations thereunder and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper including taking all the necessary steps for listing of the equity shares allotted on the Stock Exchanges as per the terms and conditions of the listing agreement with the concerned Stock Exchanges, and to settle all questions, difficulties or doubts that may arise in relation to the implementation, administration and evolution of the Plan."

9. Material Related Party Transactions for Acceptance of Deposits in Current / Savings Account or any other similar accounts permitted to be opened under applicable laws

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

"RESOLVED THAT pursuant to the Regulation 23 of the Securities and Exchange Board of India (Listing and Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations"), the applicable provisions of the Companies Act, 2013 read with the relevant rules made thereunder and any other applicable laws (including any statutory amendments, modifications, variations or re-enactments thereto, for the time being in force), policy on related party transactions of the Bank and memorandum and articles of association of the Bank, and pursuant to the approval of the Audit Committee and the Board of Directors of the Bank, approval of the members of the Bank, be and is hereby accorded to the Board of Directors of the Bank (herein after referred to as the "Board", which term shall deemed to include Audit Committee of the Board, to exercise its powers conferred by this resolution) for entering into and / or carrying out and / or continuing with the existing contracts / arrangements / transactions (whether individual transaction or transactions taken together or series of transactions or otherwise) with the Promoter entity, i.e. ESAF Financial Holdings Private Limited, the Promoter Group entity, i.e. ESAF Swasraya Multi State Agro Co-operative Society Limited, with respect to acceptance of deposits in current/ savings or any other similar accounts permitted to be opened by the Bank under applicable laws, whether by way of fresh deposit(s) or any extension(s) or modification(s) of existing contracts / arrangements / transactions or otherwise, payment of interest or levy of charges for any services provided by the bank from time to time, notwithstanding the fact that the balance on any day from the date of 07th Annual General Meeting up to the date of 08th Annual General Meeting (both days inclusive), may exceed the limits specified under SEBI Regulations as amended, provided however, that the said contracts / arrangements / transactions shall be carried out on an arm's length basis and in the ordinary course of business of the Bank."

"RESOLVED FURTHER THAT the Board of Directors of the Bank be and are hereby authorized to execute all such agreements, documents, instruments and writings as deemed necessary and to file requisite forms or applications with statutory / regulatory authorities, with power to alter and vary the terms and conditions of such contracts / arrangements / transactions and to settle all questions, difficulties or doubts that may arise in this regard, as they may in their sole and absolute discretion deem fit and to do all such acts, deeds, matters and things as may be considered necessary and appropriate and to delegate all or any of its powers herein conferred to any Committee(s) / Director(s) / Officer(s) of the Bank, to give effect to this resolution."

10. Material Related Party Transactions in relation to engaging of Business Correspondent of the Bank

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

"RESOLVED THAT pursuant to the Regulation 23 of the Securities and Exchange Board of India (Listing and Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations"), the applicable provisions of the Companies Act, 2013 read with the relevant rules made thereunder and any other applicable laws (including any statutory amendments, modifications, variations or re-enactments thereto, for the time being in force), approval of the members of the Bank, be and is hereby accorded for continuing with the existing contracts / arrangements / transactions with ESAF Swasraya Multi State Agro Co-operative Society Limited, one of the promoter group entities, for availing the services as a Business Correspondent of the Bank, whether by way of any extension(s) or modification(s) of existing contracts / arrangements / transactions or otherwise, from time to time, notwithstanding the fact that the transaction amount on any day from the date of 07th Annual General Meeting up to the date of 08th Annual General Meeting (both days inclusive), may exceed the limits specified under SEBI Regulations as amended, provided however, that the said contracts / arrangements / transactions shall be carried out on an arm's length basis and in the ordinary course of business of the Bank."

"RESOLVED FURTHER THAT the Board of Directors of the Bank, be and are hereby authorized to execute all such agreements, documents, instruments and writings as deemed necessary and to file requisite forms or applications with statutory / regulatory authorities, with power to alter and vary the terms and conditions of such contracts / arrangements / transactions and to settle all questions, difficulties or doubts that may arise in this regard, as they may in their sole and absolute discretion deem fit and to do all such acts, deeds, matters and things as may be considered necessary and appropriate and to delegate all or any of its powers herein conferred to any

Committee(s) / Director(s) / Officer(s) of the Bank, to give effect to this resolution.”

11. Related Party Transactions pertaining to payment of Trademark License Fee

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

“**RESOLVED THAT** pursuant to the Regulation 23 of the Securities and Exchange Board of India (Listing and Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Regulations”), the applicable provisions of the Companies Act, 2013 read with the relevant rules made thereunder and any other applicable laws (including any statutory amendments, modifications, variations or re-enactments thereto, for the time being in force), approval of the members of the Bank, be and is hereby accorded for continuing with the existing contracts / arrangements / transactions with ESAF Foundation, a related party of the Bank, with respect to payment of an annual Trademark License Fee for usage of name ‘ESAF’ and trademarks, at the rate of 0.30% of the total income or 2.5% of the net profit of the Bank, whichever is less (exclusive of applicable indirect taxes), as recorded in the audited financial statements of the respective Financial Year, whether by way of fresh contract(s) / arrangements / transactions or any extension(s) or modification(s) of existing contracts / arrangements / transactions or otherwise, from time to time, provided however, that the said contracts / arrangements / transactions shall be

carried out on an arm’s length basis and in the ordinary course of business of the Bank.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Bank, be and are hereby authorized to execute all such agreements, documents, instruments and writings as deemed necessary and to file requisite forms or applications with statutory / regulatory authorities, with power to alter and vary the terms and conditions of such contracts / arrangements / transactions and to settle all questions, difficulties or doubts that may arise in this regard, as they may in their sole and absolute discretion deem fit and to do all such acts, deeds, matters and things as may be considered necessary and appropriate and to delegate all or any of its powers herein conferred to any Committee(s) / Director(s) / Officer(s) of the Bank, to give effect to this resolution.”

**By order of the Board
For ESAF Small Finance Bank Limited**

Sd/-
Ranjith Raj P.
**Company Secretary and
Compliance Officer**
Membership No.: A 30388

Place: Thrissur
Date: December 04, 2023

Registered and Corporate Office:

Building No. VII/83/8, ESAF Bhavan, Thrissur-Palakkad National Highway, Mannuthy, Thrissur, Kerala, India, PIN – 680 651

NOTES

- The statement pursuant to Section 102(1) of the Companies Act, 2013 read with the relevant Rules made thereunder (“Act”), the Secretarial Standard on General Meetings (SS-2), in respect of item nos. 4 to 11 of this notice, is annexed herewith.
 - The Ministry of Corporate Affairs (“MCA”) vide its General Circular numbers 20/2020 dated May 05, 2020, 02/2022 dated May 05, 2022, 10/2022 dated December 28, 2022, 09/2023 dated September 25, 2023 and the Securities and Exchange Board of India vide its Circular No. SEBI/ HO/ DDHS/ P/ CIR/ 2023/ 0164 dated October 06, 2023 (collectively referred to as “the Circulars”), has permitted to hold Annual General Meeting (“AGM” or “Meeting”) through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”), without the physical presence of members at a common venue. Hence, in compliance with the applicable provisions of the Companies Act, 2013 and rules made thereunder read with the Circulars, the AGM of the Bank is being held through VC/OAVM. The deemed venue for the AGM shall be the Registered and Corporate Office of the Bank situated at Building No. VII/83/8, ESAF Bhavan, Mannuthy, Thrissur – Palakkad National Highway, Thrissur, Kerala, PIN – 680 651.
 - Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM 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 AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/ OAVM and participate thereat and cast their votes through e-voting.
 - Owing to unavoidable circumstances, the Board of Directors of the Bank decided to extend the holding of the AGM of the Bank and the Bank made an application on August 25, 2023 to the Registrar of Companies, Kerala (ROC), seeking extension of time for holding Annual General Meeting of the Bank for the Financial Year 2022-23 up to December 31, 2023. The ROC vide Order dated September 14, 2023, accorded its approval on the said application and allowed extension of time by three months till December 31, 2023 to hold the AGM. Accordingly, the Board of Directors on November 18, 2023, approved holding of the 07th Annual General Meeting of the Bank on December 29, 2023.
 - The Bank has availed the services of National Securities Depository Limited (“NSDL”) for providing VC facility.
- NSDL has also been appointed as service provider to provide the electronic voting facility for the AGM.
- The Members can join the AGM in the VC/OAVM mode, 30 minutes before the scheduled time of the commencement of the meeting by using the remote e-voting login credentials and selecting the EVEN for Bank’s AGM as further detailed in the Notice - Instructions for members for remote e-voting. The facility of participation at the AGM through VC/ OAVM will be made available for 1,000 members on a first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc., who are allowed to attend the AGM without restriction on account of first come first served basis. The facility will not be closed earlier than 30 minutes after the scheduled time.
 - 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, provided the votes have not already been cast by remote e-voting. Every Folio/ Client ID will have only one login-id irrespective of the number of joint holders.
 - Institutional/ Corporate shareholders (i.e. other than individuals/ HUF, NRI, etc.) intending to participate and vote during the AGM, 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 AGM on their behalf, to the scrutinizers by sending an e-mail to balu@directus.co.in with a copy marked to investor_relations@esafbank.com and evoting@nsdl.co.in quoting their DP ID and Client ID or folio number. Alternatively, same can also be uploaded by clicking on “Upload board resolution / authority letter” displayed under “e-voting” tab in their respective login.
 - 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 investor.relations@esafbank.com

- In accordance with the Circulars, notice of 07th AGM along with the annual report for the Financial Year 2022-23 is being sent only through electronic mode to the members who have registered their e-mail addresses with the Bank / their respective depository participant ("DP"). Accordingly, no physical copy of the notice of 07th AGM and the Annual Report for the Financial Year 2022-23 is being sent to members who have not registered their e-mail addresses with the Bank / DP. The members will be entitled to a physical copy of the Annual Report for the Financial Year 2022-23, free of cost, upon sending a request to the Bank or its registrar and transfer agent ("RTA") viz. Link Intime India Limited. Members may note that the notice of 07th AGM and the annual report are also available on the Bank's website at www.esafbank.com and on the website of stock exchanges i.e. BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com).
- The members are requested to register their e-mail or new e-mail ID which has already been registered with the Depository Participant.
- All correspondence regarding shares of the Bank should be addressed to the Bank's Registrar and Transfer Agent ("RTA"), Link Intime India Private Limited ("Link Intime") at M/s. Link Intime India Private Limited, Unit - ESAF Small Finance Bank Limited, C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai

- 400 083, Maharashtra, Telephone: 8108116767, Fax: +91 22-49186060, E-mail: rnt.helpdesk@linkintime.co.in.

- 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 investor.relations@esafbank.com at least five days prior to the meeting, 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.
- The Board of Directors have appointed Shri. N. Balasubramanian, Practicing Company Secretary (Membership Number: F6439 and Certificate of Practice Number: 4996, as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- The results declared along with the report of the Scrutinizer shall be displayed at the Registered and Corporate Office of the Bank and placed on the website of the Bank www.esafbank.com and on the website of NSDL <https://www.evoting.nsdl.com>, immediately after the declaration of result by the Chairman.
- Since the AGM will be held through VC / OAVM, the route map and landmark to the AGM venue is not annexed in this Notice.
- Further, members will be required to use camera, if any, and hence will be required to use internet with a good speed to avoid any disturbance during the meeting.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER: -

The remote e-voting period begins on Monday, December 25, 2023 at 09.00 AM and ends on Thursday, December 28, 2023 at 05.00 PM. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, December 22, 2023, may cast their votes electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being December 22, 2023, subject to the relevant provisions of Section 12 of the Banking Regulation Act, 1949 and Reserve Bank of India Guidelines on Acquisition and Holding of Shares or Voting Rights in Banking Companies dated 16 January, 2023.

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

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

Step 1: Access NSDL e-Voting system

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

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile numbers and email IDs in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none">Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click on https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jspVisit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



Individual Shareholders holding securities in demat mode with CDSL

1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System My Easi Tab and then use your existing My Easi username & password.
2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.
3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System My Easi Tab and then click on registration option.
4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.

Individual Shareholders (holding securities in demat mode) login through their depository participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or calling at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request to helpdesk.evoting@cdslindia.com or contacting toll free no. 1800 22 55 33

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

How to Log in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “**Login**” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log in to NSDL eservices after using your login credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to log in and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) “**Physical User Reset Password?**” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/ folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “**Terms and Conditions**” by selecting the check box.
8. Now, you will have to click on “**Login**” button.
9. After you click on the “**Login**” button, Home page of e-Voting will open.

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

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

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

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to balu@directus.co.in with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on **"Upload Board Resolution / Authority Letter"** displayed under **"e-Voting"** tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the **"Forgot User Details/Password?"** or **"Physical User Reset Password?"** option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Smt. Pallavi Mahtre at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) by e-mail to investor.relations@esafbank.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) to investor.relations@esafbank.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step **1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
7. Members who would like to express their views/ask questions as a speaker at the meeting may pre-register themselves by sending a request in advance atleast five (5) days prior to meeting, from their registered e-mail address mentioning their name, DP ID and Client ID/folio number, PAN and mobile number at investor.relations@esafbank.com. The members who do not wish to speak during the AGM but have queries may send their queries in advance 5 days prior to meeting mentioning their name, demat account number/folio number, e-mail id, mobile number at investor.relations@esafbank.com.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above to access NSDL e-Voting system. After successful login, you can see link of “**VC/OAVM**” placed under “**Join general meeting**” menu against company name. You are requested to click on VC/ OAVM link placed under Join general meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for AGM and will be available for Members on a first come first served basis.
3. Members are encouraged to join the meeting through Laptops for better experience.
4. Further, members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuations in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
6. Members facing any technical issue in login before / during the AGM can contact NSDL helpdesk by sending a request to evoting@nsdl.com or calling at 022 - 4886 7000 and 022 - 2499 7000
8. Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

RESULT OF E-VOTING

The Board of Directors has appointed Shri. N. Balasubramanian, Practicing Company Secretary as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting as per the procedure laid down in the Companies (Management and Administration) Rules, 2014 (as amended). On completion of the scrutiny, the Scrutinizer will submit his report to the Chairman of the meeting/ Managing Director & CEO of the Bank, who shall counter sign the same. The Results of above resolutions shall be declared within two working days from the date of conclusion of the AGM of the Bank and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.

The results declared along with the report of the Scrutinizer shall be displayed at the Registered and Corporate Office of the Bank and placed on the website of the Bank www.esafbank.com and on the website of NSDL <https://www.evoting.nsdl.com>, immediately after the declaration of result by the Chairman.

EXPLANATORY STATEMENT SETTING OUT THE MATERIAL FACTS CONCERNING ITEMS OF ORDINARY / SPECIAL BUSINESS

In terms of the provisions of Section 102 of the Companies Act, 2013, Secretarial Standard on General Meetings (SS-2) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Regulations”), the following explanatory statement sets out the material facts relating to item nos. 4 to 11 of this notice:

Item No. 4 – Appointment of Shri. Biju Varkkey (DIN: 01298281) as Non-Executive Independent Director of the Bank

Based on the recommendation of Nomination, Remuneration and Compensation Committee of the Board, Shri. Biju Varkkey (DIN: 01298281) was appointed as an Additional Director of the Bank by the Board of Directors of the Bank with effect from August 17, 2023. In terms of Section 161 of the Companies Act, 2013, he holds office up to the conclusion of the 07th Annual General Meeting of the Bank.

Shri. Biju Varkkey comes with extensive experience in the field of Human Resources and Banking. He is a faculty in the area of Human Resource in reputed institutions such as Indian Institute of Management, Ahmedabad and Lucknow, Management Development Institute, Gurgaon etc. for more than 26 years. Further, he was a Part-Time Non-Official Director of Bank of Baroda for a period of four years.

Whilst considering the appointment of Shri. Biju Varkkey as an Independent Director, the Nomination Remuneration and Compensation Committee of the Board (NRCCB) and the Board confirmed that:

- He conforms to the fit and proper norms prescribed by the Reserve Bank of India (“RBI”), provisions of Companies Act, 2013, applicable SEBI Regulations and Internal Policies of the Bank;
- He fulfills the criteria of independence as prescribed under Section 149(6) of the Act, the Rules made thereunder and the SEBI Regulations, for which a declaration from Shri. Biju Varkkey has been received by the Bank;
- He is not disqualified from being appointed as a Director of the Bank, in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as an Independent Director of the Bank. In the opinion of the Board, he fulfils the conditions relating to his appointment as prescribed under the relevant provisions of the Act, the relevant Rules made thereunder, the SEBI (Listing Obligations and

Disclosure Requirements) Regulations, the Banking Regulation Act, 1949 and the guidelines issued by the RBI, in this regard;

- He has not been debarred from holding office of a director by virtue of any order passed by SEBI or any other such authority, pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, and NSE Circular No. NSE/ CML/2018/24 dated June 20, 2018;
- He has the requisite skills, capabilities and expertise in functional areas namely Human Resources, Banking etc. through qualification and diverse experience, which are beneficial to the Bank.

Given his extensive knowledge, background, experience and expertise, the Nomination, Remuneration and Compensation Committee of the Board and the Board of Directors of the Bank are of the view that the appointment of Shri. Biju Varkkey as an Independent Director shall be of immense benefit to the Bank and are aligned to the role and capabilities identified by the NRCCB. Therefore, he is eligible for appointment as an Independent Director and accorded its recommendation to the members to appoint Shri. Biju Varkkey as an Independent Director of the Bank for a term of three (3) consecutive years with effect from August 17, 2023.

The period of office of Shri. Biju Varkkey as the Independent Director of the Bank shall not be liable to determination of retirement of directors by rotation, in terms of Section 152 of the Companies Act, 2013. The Bank has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a member proposing the candidature of Shri. Biju Varkkey.

Shri. Biju Varkkey is in compliance with the requirements mandated under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to enrolling his name in the online databank of independent directors and qualifying the online proficiency self-assessment test for independent directors.

Shri. Biju Varkkey is entitled to sitting fees for attending the meetings of the Board and its Committee(s).

A copy of the draft letter for the appointment of Shri. Biju Varkkey as an Independent Director setting out the terms and conditions is available for electronic inspection by the members during normal business hours on working days up to Friday, December 29, 2023.

In compliance with Section 149 read with Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, the approval of the members is sought for

the appointment of Shri. Biju Varkkey as an Independent Director of the Bank, as a special resolution. The disclosures as per Secretarial Standards – 2 are enclosed herewith.

Except Shri. Biju Varkkey and his relatives, no directors or key managerial personnel of the Bank or any of their relatives, are concerned or interested in Item No. 04 as specified in the Notice.

Disclosures as per Secretarial Standards – 2

Name of the proposed Director	Biju Varkkey
Age	57 Years
Qualification	<ul style="list-style-type: none"> • Fellowship Programme from the National Institute of Bank Management, Pune (2000) • Master's Degree in Personnel Management and Industrial Relations from MG University, Kerala (1988) • Bachelor of Science from MG University (1986)
Expertise in specific functional areas	Human Resources, Banking etc.
Experience	<ul style="list-style-type: none"> • He is currently a faculty in Human Resource Management Area in Indian Institute of Management, Ahmedabad. • He was a Part-Time Non-Official Director of Bank of Baroda for a period of four years.
Terms and Conditions of appointment	As per the resolution set forth in item no. 04 of the notice read with explanatory statement thereto.
Details of remuneration sought to be paid	No remuneration will be paid except sitting fees for attending meetings of the Board and Committees
Remuneration last drawn	NIL
Date of First appointment on the Board	August 17, 2023
Shareholding in the Bank	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel	NIL
Number of meetings of the Board attended during the year.	During the Financial Year 2023-24, 6 meetings of the Board of Directors has been attended till November 20, 2023.
Directorships held in other companies	<ul style="list-style-type: none"> • M/s. V Guard Industries Limited. • M/s. Konnect CSR Impactors Private Limited.

Memberships/ Chairmanship of Committees of other Companies

Sl. No.	Name of the Company	Board Committees in which he is a member	Board Committees in which he is a Chairperson
1	M/s. V Guard Industries Limited	<ol style="list-style-type: none"> 1. Nomination and Remuneration Committee 2. Stakeholders' Relationship Committee 	<ol style="list-style-type: none"> 1. Nomination and Remuneration Committee

Item No. 5 – Appointment of Dr. Joseph Vadakkekara Antony (DIN: 00181554) as Non-Executive Director of the Bank

Dr. Joseph Vadakkekara Antony comes with vast knowledge, acumen, expertise and experience in the field of Banking. Based on the recommendation of Nomination,

Remuneration and Compensation Committee of the Board, Dr. Joseph Vadakkekara Antony (DIN: 00181554) was appointed as an Additional Director of the Bank by the Board of Directors of the Bank with effect from November 18, 2023. In terms of Section 161 of the Companies Act, 2013, he holds office up to the conclusion of the 07th Annual General Meeting of the Bank.

Whilst considering the appointment of Dr. Joseph Vadakkekara Antony as a Non-Executive Director, the Nomination Remuneration and Compensation Committee of the Board (NRCCB) and the Board confirmed that:

- He conforms to the fit and proper norms prescribed by the Reserve Bank of India (“RBI”), provisions of Companies Act, 2013, applicable SEBI Regulations and Internal Policies of the Bank;
- He is not disqualified from being appointed as a Director of the Bank, in terms of Section 164 of the Companies Act, 2013. In the opinion of the Board, he fulfils the conditions relating to his appointment as prescribed under the relevant provisions of the Companies Act, 2013, the relevant Rules made thereunder, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, the Banking Regulation Act, 1949 and the guidelines issued by the RBI, in this regard;
- He has not been debarred from holding office of a director by virtue of any order passed by SEBI or any other such authority, pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, and NSE Circular No. NSE/ CML/2018/24 dated June 20, 2018;
- He has the requisite skills, capabilities and expertise in functional areas namely Banking, Human Resources, Law, Economics etc. through qualification and diverse experience, which are beneficial to the Bank. He was a Non-Executive Independent Director of the Bank from 2017 to 2023.

Given his extensive knowledge, background, experience and expertise, the Nomination, Remuneration and Compensation Committee of the Board and the Board of Directors of the Bank are of the view that the appointment

of Dr. Joseph Vadakkekara Antony as a Non-Executive Director shall be of immense benefit to the Bank and are aligned to the role and capabilities identified by the NRCCB. Therefore, he is eligible for appointment as a Non-Executive Director and accorded its recommendation to the members to appoint Dr. Joseph Vadakkekara Antony as a Non-Executive Director of the Bank for a period of two (2) consecutive years, with effect from November 18, 2023 upto November 17, 2025.

The period of office of Dr. Joseph Vadakkekara Antony as a Non-Executive Director of the Bank shall be liable to determination of retirement of directors by rotation, in terms of Section 152 of the Companies Act, 2013. The Bank has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a member proposing the candidature of Dr. Joseph Vadakkekara Antony.

Dr. Joseph Vadakkekara Antony is entitled to sitting fees for attending the meetings of the Board and its Committee(s).

A copy of the draft letter for the appointment of Dr. Joseph Vadakkekara Antony as a Non-Executive Director setting out the terms and conditions is available for electronic inspection by the members during normal business hours on working days up to Friday, December 29, 2023.

Hence, the Board recommends Resolution No. 05 as an Ordinary Resolution for approval by the Members. The disclosures as per Secretarial Standards – 2 are enclosed herewith.

Except Dr. Joseph Vadakkekara Antony and his relatives, no directors or key managerial personnel of the Bank or any of their relatives, are concerned or interested in Item No. 05 as specified in the Notice.

Disclosures as per Secretarial Standards – 2

Name of the proposed Director	Joseph Vadakkekara Antony	
Age	72 Years	
Qualification	<ul style="list-style-type: none"> • Masters in Commerce from Kerala University • Masters in Personnel Management from Pune University • Bachelor of Law from Pune University • Doctor of Philosophy in Business Economics • Certified Associate of the India Institute of Bankers 	
Expertise in specific functional areas	Human Resources, Banking, Law, Economics etc.	
Experience	2005-2008	Chairman & CEO of M/s. South Indian Bank Limited
	2008-2014	MD & CEO of M/s. South Indian Bank Limited
	2015-2018	Director of M/s. ET Marlabs Private Limited
	2018	Director of M/s. Muthoot Homefin (India) Limited
	2019	Director of M/s. SP Life Care Private Limited
Terms and Conditions of appointment	As per the resolution set forth in item no. 05 of the notice read with explanatory statement thereto.	
Details of remuneration sought to be paid	No remuneration will be paid except sitting fees for attending meetings of the Board and Committees	

Remuneration last drawn	NIL
Date of First appointment on the Board	August 17, 2017
Shareholding in the Bank	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel	NIL
Number of meetings of the Board attended during the year.	During the Financial Year 2022-23, 13 meetings of the Board of Directors were attended and during the Financial Year 2023-24, 5 meetings of the Board of Directors has been attended till November 20, 2023.
Directorships held in other companies	M/s. Agappe Diagnostics Limited

Memberships/ Chairmanship of Committees of other Companies

Sl. No.	Name of the Company	Board Committees in which he is a member	Board Committees in which he is a Chairperson
NIL			

Item No. 6 - Revision of Remuneration of Shri. Kadambelil Paul Thomas (DIN: 00199925), Managing Director and Chief Executive Officer of the Bank

Shri. Kadambelil Paul Thomas (DIN:00199925) has been serving as the Managing Director and Chief Executive Officer ('MD & CEO') of the Bank since October 01, 2018, in accordance with the approval of the Members of the Bank and the Reserve Bank of India ('RBI'), and his current tenure as MD & CEO of the Bank is valid up to September 30, 2024.

Basis the outcome of the performance evaluation conducted by the Nomination, Remuneration and Compensation Committee of the Board ("NRCCB") and in line with the Compensation Policy of the Bank, framed in accordance with the Guidelines on Compensation of Whole Time Directors/ Chief Executive Officers/ Material Risk Takers and Control Function Staff dated November 04, 2019, issued by the Reserve Bank of India, the NRCCB in its meeting held on May 09, 2023, reviewed the remuneration being paid to Shri. Kadambelil Paul Thomas as the Managing Director & CEO of the Bank and recommended a revision in his remuneration, for the Financial Years 2022-23 and 2023-24. Subsequently, the Board of Directors of the Bank ("Board") in its meeting held on May 10, 2023, approved the revision in the remuneration payable to Shri. Kadambelil Paul Thomas, subject to approval of the members of the Bank and the RBI.

Subsequent to the approval of the Board, an application was submitted vide letter dated June 27, 2023 to RBI for approval for revision of remuneration to be paid to Shri. Kadambelil Paul Thomas and the RBI vide their letter no. CO.DOR.HGG.No.S4452/ 29-44-005/ 2023-24 dated November 03, 2023, approved the remuneration for the Financial Year 2022-23 and 2023-24, the details of which

have been mentioned in the resolution under Item No. 6 of this notice.

Profile and other details

Shri. Kadambelil Paul Thomas, Managing Director and Chief Executive Officer of the Bank, holds a master's degree in business administration and he was previously the Chairman and Managing Director of ESAF Financial Holdings Private Limited, the Corporate Promoter of the Bank.

Shri. Kadambelil Paul Thomas was the founder and promoter of the bank along with ESAF Financial Holdings Private Limited. He pioneered microfinancing in Kerala and started the microfinance program under ESAF Foundation in 1992 by organising neighbourhood women into self-help groups (SHGs). He has been a finance professional for over 30 years and his contributions have been pivotal in charting the hybrid model of sustainable business by leveraging the benefits of the self-help group and joint liability group models.

His contributions have been recognised at various forums and have won him accolades and recognition at local, regional, national and international platforms. He is the recipient of the SKOCH Award for Financial inclusion and Karma Ratna Award for exemplary contributions to Kerala Society. He was conferred the Entrepreneur of the Year Award by TIE, Kerala. He was bestowed with the CEO with HR Orientation Award at World HRD Congress 2022. He has also won the Atal Pension Yojana Big Believers Award 3.0 for the Best Performing MD and CEO in consecutive years and the Kozhikode Management Association's Management Leadership Award 2022. He was honoured with the FE Pillar of the BFSI Industry Award at the Financial Express Modern BFSI Summit. He has also won the Circle of Excellence Exemplary Award of Par Excellence instituted by the PFRDA. Under his guidance,

the bank was awarded the Prestigious Rising Brand of Asia 2021-2022, instituted by BARC Asia, Leadership Capital, the Makers of Excellence Award instituted by the Pension Fund Regulatory and Development Authority and Inclusive Finance India Award 2022, an initiative of ACCESS Development Services in partnership with HSBC India as well as the Innovative Bank of the Year Award. The bank

also received an honourable mention in the Global SME Finance Awards 2021 organised by the International Finance Corporation.

The details of attendance of Shri. Kadambelil Paul Thomas at the meetings of the Board and its Committees, during the Financial Year 2022-23 are as under:

Particulars	Number of meetings held	Number of meetings attended
Board of Directors	14	14
Risk Management Committee of the Board (RMCB)	4	4
Management Committee of the Board (MCB)	11	11
IT Strategy Committee of the Board (ITSCB)	5	5
Corporate Social Responsibility and Sustainability Committee of the Board (CSRSCB)	2	2
Human Resource Committee of the Board (HRCB)	4	4
High Value Fraud Monitoring Committee of the Board (HVFMCB)	1	1
Stakeholders' Relationship Committee of the Board (SRCB)	NIL*	NIL*
IPO Steering Committee of the Board (IPOSCB)	2	2

* The Committee was not required to meet since the Bank was not listed.

The details of directorship and committee membership/ chairmanship held by Shri. Kadambelil Paul Thomas in other companies as on March 31, 2023 are as under: **NIL**

Shri. Kadambelil Paul Thomas has not resigned from any listed entity in the past three fiscal years.

An amount of Rs. 282 Lakh was approved as the remuneration for Shri. Kadambelil Paul Thomas for the Financial Year 2022 by the Reserve Bank of India.

As on March 31, 2023, Shri. Kadambelil Paul Thomas holds 3,11,86,785 equity shares of the Bank. He is not related to any other director or key managerial personnel of the Bank.

The Board recommends Resolution No. 06 as a Special Resolution for approval by the Members.

None of the Directors and Key Managerial Personnel of the Bank or their relatives, except Shri. Kadambelil Paul Thomas and Shri. John Samuel and their relatives, are concerned or interested in the resolution mentioned in Item No. 06 of the Notice.

Item No. 7: Borrowing / raising of funds, by issue of debt securities on a Private Placement basis

The Bank has been borrowing funds to meet the business requirements and to strengthen its capital adequacy, within the limits approved by the shareholders by way of issuance of debt securities as permitted by Reserve Bank of India ("RBI") and in accordance with the provisions of

Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and other applicable laws, from time to time.

In terms of Section 42 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, a Company can make private placement of securities subject to the condition that the proposed offer of securities or invitation to subscribe securities has been previously approved by the Members of the Company, by a special resolution, for each of the offers or invitations/subscriptions. In case of offer or invitation for subscription of non-convertible debentures, it shall be sufficient if the Members passes a special resolution only once in a year for all the offers or invitation for subscription of such debentures during the year.

Accordingly, the Board of Directors in its meeting dated August 11, 2023 after assessing its fund requirements, has proposed to obtain the consent of the Members of the Bank for borrowing/raising funds by issue of non-convertible debt securities as provided in the resolution, for an amount aggregating up to Rs. 500,00,00,000/- (Rupees Five Hundred Crore only), in one or more tranches and within the limits permitted by regulatory authorities, to eligible investors on private placement basis, on such terms and conditions including the price, coupon, premium / discount, tenor etc., as the Board of Directors or any Committee(s) thereof or such other persons as may be authorized by the Board, from time to time, determine and consider proper and appropriate for the Bank. This would form part of the overall borrowing

limits as may be approved by the Members under Section 180(1) of the Companies Act, 2013.

The Board recommends Resolution No. 07 as a Special Resolution for approval by the Members.

None of the Directors or Key Managerial Personnel of the Bank or any of their relatives, is concerned or interested in Item No. 07 as specified in the Notice.

Item No: 8 – Ratification and Amendment of “ESAF SMALL FINANCE BANK EMPLOYEES STOCK OPTION PLAN 2019” (“ESAF ESOP PLAN - 2019” / “ESOP 2019” / “the Plan”)

The members of the Bank at the Extraordinary General Meeting held on January 03, 2020 had adopted the ESAF Small Finance Bank Employees Stock Option Plan 2019 (“ESOP 2019”/ “the Plan”) and thereafter, in the Extraordinary General Meeting held on June 29, 2023, revised the Plan and the Scheme in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SBEB Regulations”). The said amendments/ changes in ESOP 2019 are not prejudicial to the interests of the employees.

As per Regulation 12(1) of the SBEB Regulations, no company shall make fresh grant which involves allotment or transfer of shares to its employees under any schemes/ plans formulated prior to its IPO and prior to the listing of the equity shares (‘Pre-IPO Scheme/ Plan’) unless:

1. Such Pre-IPO Scheme/ Plan is in conformity with the SBEB Regulations and
2. Such Pre-IPO Scheme/ Plan is ratified by its members subsequent to the IPO:

Provided that the ratification may be done any time prior to grant of new options.

In this regard, it may be noted that the Bank has listed its equity shares on November 10, 2023 on BSE Limited and National Stock Exchange of India Limited.

As the Plan and Scheme were in existence prior to the listing of equity shares on the Stock Exchanges, i.e., November 10, 2023, members’ approval is being sought in accordance with Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 12 of the SBEB Regulations.

Particulars as required under Section 62 (1)(b) of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 are given below:

The Bank appreciates the role people play in the organizational growth. It strongly feels that the value created by its people should be shared with them. To create the feeling of inclusiveness and recognizing the contribution of the employees in building up the Bank and to promote the culture of employee ownership and as well as to attract, retain, motivate and incentivize employees, the Bank is intending to issue employee stock options under an employee stock option plan namely ESAF Small Finance Bank Employee Stock Option Plan 2019 (“ESOP 2019”/ “Plan”) to the employees of the Bank, as relevant, as determined from time to time.

a) Brief Description of the ESAF Small Finance Bank Employee Stock Option Plan 2019 is given as under:

ESAF Small Finance Bank Employee Stock Option Plan 2019 has been formulated by the bank and to be implemented by Nomination Remuneration and Compensation Committee of the Board constituted under Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 issued by SEBI, as and when applicable to the Bank and other applicable laws. The objective of ESAF ESOP PLAN – 2019 is to attract, retain and motivate the best available talent by way of rewarding employee stock options for their performance and to motivate them to participate in the growth of the company, besides creating long term wealth in their hands.

There will be two types of grants under the plan:

Type of Grant	Eligible Employee
Loyalty Grant	Employees on services till October 07, 2015 on the payroll of the Promoter Company of the Bank (ESAF Financial Holdings Private Limited, formerly known as ESAF Microfinance and Investments Private Limited) and in employment with the bank as on the date of the grant. The Nomination, Remuneration and Compensation Committee of the Board is authorized to grant the Loyalty Grant to such other employees as the Nomination, Remuneration and Compensation Committee may think eligible, within the overall limit.
Performance Grant	Employees who have completed one year of service as on the date of grant and new hires at the discretion of the Nomination, Remuneration and Compensation Committee

b) Total number of options to be granted:

22,515,552 (Two Crore Twenty-Five Lakh Fifteen Thousand Five Hundred and Fifty-Two) options would be available for being granted to eligible employees of the Bank under ESAF ESOP PLAN – 2019. Each option when exercised would be converted into one equity share of Rs.10/- each fully paid-up.

Options lapsed or cancelled due to any reason including the reason of lapse of exercise period or due to resignation of the employees or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled options as per the ESAF ESOP PLAN – 2019.

In case of any corporate action (s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment will be made to the options granted. Accordingly, if any additional equity shares are required to be issued by the Bank to the option grantees for making such fair and reasonable adjustment, the ceiling of 22,515,552 (Two Crore Twenty-Five Lakh Fifteen Thousand Five Hundred and Fifty-Two) of options/ equity shares shall be deemed to increase to the extent of such additional equity shares issued.

An employee may surrender his/her vested /unvested options at any time during / post his employment with the Bank. Any employee willing to surrender his/her Options shall communicate the same to the Board or Committee in writing.

Vested Options lapsed due to non-exercise, surrender and/or unvested Options that gets cancelled due to resignation or any other separation conditions of Option grantees, surrendered or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled / surrendered options as per the provisions of ESAF ESOP PLAN – 2019.

The Company prior to its Initial Public Offer had already granted 11,25,590 number of Stock options under ESAF ESOP PLAN – 2019.

c) Identification of classes of employees entitled to participate and be beneficiaries in the ESAF ESOP PLAN - 2019:

Following class / classes of employees are entitled to participate in ESAF ESOP PLAN – 2019: -

- (i) an employee as designated by the Bank, who is exclusively working in India or outside India; or

- (ii) a director of the Bank, whether a whole-time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; or

- (iii) an employee as defined in sub-clauses (i) or (ii), of a group company including subsidiary or its associate company, in India or outside India, or of a holding company of the company, but does not include:

- (a) an employee who is a promoter or a person belonging to the promoter group; or

- (b) a director who, either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the company;

The specific Employees to whom the Options would be granted, and their eligibility criteria would be determined by the Nomination, Remuneration and Compensation Committee. The Grants to be made to the Directors shall be determined by the Nomination, Remuneration and Compensation Committee and, where appropriate, would be sent to the Reserve Bank of India for its approval. The Options granted to an Employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

d) Appraisal Process for determining the eligibility of the employees to ESOPs:

The options shall be granted to the employees as per the performance appraisal system of the Bank.

e) Requirements of vesting and period of vesting:

The options granted shall vest so long as the employee continues to be in the employment of the Bank, as the case may be. The Board may, at its discretion, lay down certain performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which options granted would vest (subject to the minimum and maximum vesting period as specified below).

The options granted shall vest in not earlier than a minimum vesting period of one (1) year and not more than four (4) years from the date of grant of such options. The exact proportion in which and the exact period over which the options would vest would be determined by the Board, subject to the minimum vesting period of one year from the date of grant of options.

Following table shall be applicable in case of various scenarios (during employment) for vesting and exercising:

S I. No.	Separations	Vested Options	Unvested Options
1	Resignation / Termination (other than due to misconduct or breach of Bank Policies/ Terms of Employment)	All Vested Options as on date of submission of resignation or date of termination shall be exercisable by the Option Grantee on or before the last working day in the Bank.	All the Unvested Options on the date of submission of resignation / date of termination shall stand cancelled with effect from that date.
2	Termination due to misconduct or due to breach of Bank Policies/ Terms of Employment	All the Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.	All the Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
3	Retirement / early Retirement approved by the Bank	All Vested Options as on date of retirement shall be exercisable during the exercise period even after retirement or superannuation	All the Unvested Options shall continue to vest in accordance with the vesting schedules even after retirement or superannuation
4	Death	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.	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.
5	Permanent Disability	All Vested Options as on date of incurring the Permanent Disability shall be exercisable by the Option Grantee immediately after the date of incurring the Permanent Disability of the Option Grantee.	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.
6	Abandonment	All the Vested Options shall stand cancelled with effect from the date of abandonment as determined by the Nomination Remuneration and Compensation Committee.	All the Unvested Options shall stand cancelled with effect from the date of abandonment as determined by the Nomination Remuneration and Compensation Committee.
7	Termination due to any other reason apart from those mentioned above	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.	The Nomination Remuneration and Compensation Committee shall decide whether to cancel any Unvested Options as on that date, and such decision shall be final.
8	Any other reason not specified above	The Nomination and Remuneration of the Board 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.	All Unvested Options on the date of separation shall stand cancelled with effect from that date.

Note: In case of any regulatory changes warranting any change in vesting schedule/ conditions/exercise period in any of the above separation conditions, the provisions of such change shall apply.

The Board/Committee, at its sole discretion shall decide the date of cancellation of Option's and such decision shall be binding on all concerned. Provided that, in accordance with applicable law, notwithstanding anything to the contrary contained herein, the Company shall not vary the terms of the ESAF ESOP PLAN - 2019 in any manner which may be detrimental to the interests of the Employees.

f) The maximum period within which the options shall be vested:

The options granted shall vest after expiry of one (1) year and not more than four (4) years from the date of grant of such options.

g) Exercise price or pricing formula:

“Exercise Price” means the price at which the Option grantee is entitled to acquire the equity shares pursuant to the options granted and vested in him/her under the ESAF ESOP PLAN – 2019.

The Exercise Price shall be as may be decided by the Committee as is allowed under the Companies Act / SBEB and Sweat Equity Regulations which in any case will not be lower than the face value of the equity shares of the Company on the date of such grant. Further the Exercise Price can be different for different set of Employees for Options granted on same / different dates. The same shall be subject to any fair and reasonable adjustments that may be made on account of corporate actions of the Company in order to comply with the applicable laws.

No amount shall be payable by the option grantee at the time of grant and hence no amount is required to be forfeited, even if any employee(s) does not exercise the options within the exercise period and accordingly no adjustment is required to be made for the same.

The exercise price shall be the price as approved by the Board based on the recommendation of the Nomination, Remuneration and Compensation Committee of the Board, which will not be less than face value and not more than Fair Market Value.

h) Exercise Period and the process of exercise:

(i) While in employment/ service

The Exercise Period in respect of a Vested Option shall be a maximum of One (1) year, from the Vesting date.

(ii) Exercise Period in case of separation from employment/ service:

Please refer Point e. for separation condition.

i) Lock-in period:

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.

Provided however that, subsequent to Listing, the Shares allotted on such Exercise cannot be sold for such period from the date of allotment in terms of Code of Conduct for Prevention of Insider Trading of the Bank, if any, read

with Securities Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended or such other period as may be stipulated from time to time in terms of such Code.

j) Maximum number of options to be issued per employee and in aggregate:

The maximum number of Options that may be granted to each Employee shall vary depending upon the designation and the appraisal/ assessment process, however shall not exceed 2,500,000 (Twenty-Five Lakh) in number per eligible employee per grant. However, the Nomination, Remuneration and Compensation Committee reserves the right to decide the number of Options to be granted and the maximum number of Options that can be granted to each Employee within this ceiling.

Further, the number of options that may be granted to any specific identified employee under ESAF ESOP PLAN – 2019 shall not be equal to or exceeding the number of Shares equivalent to 1% of the Issued Capital (excluding outstanding warrants and conversions) of the Bank and in aggregate if the prior specific approval from members of the Company through a special resolution to this effect is not obtained.

k) Maximum quantum of benefits to be provided per employee under the ESAF ESOP PLAN – 2019:

The maximum quantum of benefits underlying the Options issued to an eligible employee shall depend upon the market price of the shares as on the date of sale of shares arising out of exercise of Options.

l) Whether the ESAF ESOP PLAN – 2019 is to be implemented and administered directly by the Bank or through a trust:

The ESAF ESOP PLAN – 2019 will be implemented directly by the Bank under the guidance of the Nomination Remuneration and Compensation Committee of the Board.

m) Whether ESAF ESOP PLAN – 2019 involves new issue of shares by the Bank or secondary acquisition by the trust:

The ESAF ESOP PLAN – 2019 will involve only new issue of shares by the Bank.

n) The amount of loan to be provided for implementation of the ESAF ESOP PLAN – 2019 by the Bank to the trust, its tenure, utilization, repayment terms, etc.

Not Applicable.

o) Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the ESAF ESOP PLAN – 2019:

Not Applicable.

p) Method of option valuation:

The Company follows fair value method for computing the compensation cost, if any, for the Options granted. The Company will follow IFRS/ IND AS/ any other requirements for accounting of the stock Options as are applicable to the Company for the same.

Since the Company opts for expensing of share-based employee benefits using the fair value method, the following statement will not be applicable viz.

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

q) Conditions under which option vested in employees may lapse e.g., in case of termination of employment for misconduct:

As provided in Point e. above.

r) The specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee:

As provided in Point e. above.

s) Disclosure and Accounting Policies:

The Bank shall conform to the accounting policies specified in Regulation 15 of the SEBI (SBEB and Sweat Equity) Regulations.

Further, the Bank shall disclose details of grant, vest, exercise and lapse of the employee stock options in the Directors' Report or in an annexure thereof as prescribed under the Companies Act, 2013 read with rules made thereunder and SEBI (SBEB and Sweat Equity) Regulations, any other applicable laws as may be applicable from time to time. Furthermore, the Bank shall follow the laws/ regulations applicable to accounting and disclosure related to employee stock Options, including the Companies Act, 2013 (as amended from time to time) but

not limited to SEBI (SBEB and Sweat Equity) Regulations (including disclosure as specified under regulation 15), Section 133 of the Companies Act, 2013 as well as the Guidance Notes on accounting for Employee Share-based Payments and/ or any relevant Accounting Standards as may be prescribed by the regulatory authorities 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 the IGAAP 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.

t) Implementation of the Scheme:

The implementation of the scheme shall be administered directly by the Bank. The implementation of the scheme will be by way of fresh issuance of shares only.

u) Terms & conditions for buyback, if any, of specified securities covered under the SEBI SBEB and Sweat Equity Regulations:

The Board of Directors / NRCCB shall, subject to the applicable provisions of any of the SEBI Regulations and Companies Act, 2013 and other applicable provisions, have right to specify the procedure for buy-back of the Employee Stock Options issued under this Scheme, 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 company as per its last financial statements; and
- (iii) limits upon quantum of the Employee Stock Options that the company may buy-back in a financial year.

v) Listing:

The equity shares to be allotted pursuant to the exercise of the stock options under ESAF ESOP PLAN – 2019, shall be listed on BSE Limited and National Stock Exchange of India Limited.

w) Certificate from Secretarial Auditors:

The Board of directors shall at each annual general meeting place before the shareholders a certificate from the Secretarial Auditors of the Bank, that the ESAF ESOP PLAN – 2019 has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the Bank in the general meeting.

Summary of amendments proposed to the scheme is provided below:

Sl. No.	Clause No.	Summary of amendments proposed								
1.	Amendment to Clause 2.1. ix. – Definition of Employee	The definition has been modified to depict the definition as per SBEB Regulations.								
2.	Modification of Clause 3.2 – Authority and Ceiling	SBEB Regulations regarding the maximum options per employees is defined in the scheme as 1% of the Issued Capital (excluding outstanding warrants and conversions) of the Bank.								
3.	Insertion of Clause 3.7 – Authority and Ceiling	Clause inserted to specify that the maximum quantum of benefits underlying the options issued to an eligible employee shall depend upon the market price of the shares as on the date of sale of shares arising out of exercise of options.								
4.	Insertion of Clause 4.4 - Administration	Clause inserted to authorize the Board of Directors to re-grant lapsed / cancelled options as per the Plan.								
5.	Insertion of Clause 7.4 – Vesting and Exercising	Existing Clause 8.2.b is proposed to be shifted as Clause 7.4 along with inserting a new sub clause as below:								
		<table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Separations</th> <th>Vested Options</th> <th>Unvested Options</th> </tr> </thead> <tbody> <tr> <td>8</td> <td>Any other reason not specified above</td> <td>The Nomination and Remuneration of the Board 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.</td> <td>All Unvested Options on the date of separation shall stand cancelled with effect from that date.</td> </tr> </tbody> </table>	Sl. No.	Separations	Vested Options	Unvested Options	8	Any other reason not specified above	The Nomination and Remuneration of the Board 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.	All Unvested Options on the date of separation shall stand cancelled with effect from that date.
Sl. No.	Separations	Vested Options	Unvested Options							
8	Any other reason not specified above	The Nomination and Remuneration of the Board 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.	All Unvested Options on the date of separation shall stand cancelled with effect from that date.							
6.	Modification of Clause 8.1 – Exercise Price and Pricing Formula	The provisions of SBEB Regulations are incorporated by replacing the existing clause.								
7.	Shifting of Clause 8.2.b – Exercise period in case of separation from employment / service	Shifted the entire clause to Clause 7.4 - Vesting and Exercising.								
8.	Insertion of Clause 11.5 – Other Terms and Conditions	Clause inserted to capture provisions on surrender of options by employees his/her vested / unvested options.								
9.	Insertion of Clause 11.6 – Other Terms and Conditions	Clause inserted for facilitating re-granting of vested options lapsed due to non-exercise, surrender and / or unvested options that gets cancelled due to resignation or any other separation conditions of option grantees, surrendered or otherwise.								
10.	Insertion of Clause 11.7 – Other Terms and Conditions	Clause 11.7 - The ESOP 2019 scheme will involve only new issue of shares by the Bank.								
11.	Insertion of Clause 11.8 – Other Terms and Conditions	It is specified that the equity shares to be allotted pursuant to the exercise of the stock options under ESAF ESOP PLAN – 2019, shall be listed on BSE Limited and National Stock Exchange of India Limited.								
12.	Modification of Clause 16.1 – Accounting and Disclosures	Clause 16.1 - The provisions of SBEB Regulations regarding accounting policies and disclosures has been incorporated.								
13.	Modification of Clause 16.3 – Accounting and Disclosures	The provisions of SBEB Regulations regarding valuation has been incorporated.								

As the Plan provides for issue of Shares to be offered to persons other than existing shareholders of the Bank, consent of the members is being sought pursuant to Section 62 (1) (b) of the Companies Act, 2013 Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, the Memorandum and Articles of Association of the Bank and any other applicable laws.

A copy of the ESAF ESOP PLAN – 2019/ scheme is available for electronic inspection by the members during normal business hours on working days up to Friday, December 29, 2023.

The Board of Directors of the Bank recommends the resolutions set out in Item No. 8 of the accompanying

notice for approval of the Members by way of Special Resolution.

Except Shri. George Kalaparambil John, Executive Vice President of the Bank, Shri. George Thomas, Executive Vice President of the Bank and Shri. Ranjith Raj P, Company Secretary of the Bank and their relatives, to the extent of stock options that are granted or may be granted to them under ESAF ESOP PLAN – 2019, none of the Directors or Key Managerial Personnel of the Bank or their respective relatives are financially or in any other way concerned or interested, in the resolutions set out at Item No. 8.

Item No: 9 – Material related party transactions for acceptance of deposits in current/ savings account or any other similar accounts permitted to be opened under applicable laws

Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Regulations”) as amended, mandates prior approval of members by means of an ordinary resolution for all material related party transactions (“RPTs”), even if such transactions are in the ordinary course of business of the concerned company and at an arm’s length basis.

A transaction with a related party shall be considered material if the transaction(s) either individually or taken together with previous transactions during a fiscal year, exceed(s) Rs. 1,000 Crore, or 10% of the annual consolidated turnover as per the last audited financial statements of the listed entity, whichever is lower (“materiality threshold”).

The Bank, during the ordinary course of its banking business, enters into certain transactions with its related parties, which include the current account / saving account transactions, fixed deposits, payment of interest, banking charges for various services and facilities or other banking services. Although the fixed deposit transactions are exempt from the RPTs under the SEBI LODR, there are possibilities that current account / saving account transactions of the promoter / promoter group entities with the Bank might exceed Rs. 1,000 Crore during a financial year. Therefore, it is required to seek the prior approval of the shareholders of the Bank for current account / saving account transactions. In addition to current account / saving account transactions, the Bank may pay interest on deposits or charge to the promoter / promoter group entities for the normal banking services provided by the Bank to them.

The maximum value of transactions, during Financial Year 2023-24 and for the next financial year (until the holding of 08th Annual General Meeting of the Bank), between the Bank on one side and promoter/ promoter group entities, as mentioned above, individually on the other side, may exceed the threshold of “material related party transactions” under the SEBI LODR Regulations, i.e. Rs. 1,000 Crore or 10% of the annual consolidated turnover of the Bank as per the last audited financial statements of the Bank, whichever is lower, for each such party. All these transactions will be executed at arm’s length basis and in the ordinary course of business of the Bank.

The details of the transaction are set out below:

Sl. No.	Particulars	Details of Transactions
1.	Name of the Related Party and Relationship	1. ESAF Financial Holdings Private Limited (Corporate Promoter) 2. ESAF Swasraya Multi State Agro Co-Operative Society Limited (Promoter Group Entity)
2.	Type and Particulars of the proposed transactions	Acceptance of deposits in current / savings account or any other similar accounts permitted to be opened by applicable laws.
3.	Value of the proposed transaction	Once an account is opened, a bank cannot legally stop amounts coming into the customer’s account and it is entirely up to the discretion of the customer how much amount it seeks to place into the deposit. Hence, the value of the transaction is not determinable.
4.	Material terms	Currently, no interest is paid by the Bank on current account balance maintained by a customer. The Bank levies normal banking charges on the current account customers for various services. For all other deposits, the Bank levies charges/ pays interest uniformly to all customers (related/ unrelated parties) in accordance with Bank’s policies and RBI norms.
5.	Nature of concern or interest of the related party (financial / otherwise)	Financial

6.	Tenure of the proposed transaction	The tenure of the transaction depends on period opted for by the respective customer and cannot be ascertained by the Bank.
7.	Percentage of value of transaction to the Bank's annual turnover for the immediately preceding fiscal year (Based on turnover of fiscal year ended 31 March, 2023)	Not applicable, since the value of the transaction is not determinable.
8.	If the transaction relates to any loans, intercorporate deposits, advances or investments made or given by the listed entity or its subsidiary: 1. Details of financial indebtedness incurred 2. Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security 3. The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the related party transaction	Not Applicable
9.	Justification as to why the related party transaction is in the interest of the listed entity	These transactions are in the ordinary course of banking business of the Bank which may include related parties of the Bank.
10.	Valuation or other external party report	Not applicable

The Board of Directors recommends the Ordinary Resolution(s) set out at Item No. 9 for the approval of the Members.

Except for Shri. Kadambelil Paul Thomas and Shri. Ajayan Mangalath Gopalakrishnan and their respective relatives, none of the other directors or the key managerial personnel of the Bank and their relatives, are either financially or otherwise concerned or interested in ordinary resolution, as set out in item no. 9 of this notice.

Item No: 10 - Material Related Party Transactions in relation to engaging of Business Correspondent of the Bank

Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations") as amended, mandates prior approval of members by means of an ordinary resolution for all material related party transactions ("RPTs"), even if such transactions are in the ordinary course of business of the concerned company and at an arm's length basis.

A transaction with a related party shall be considered material, if the transaction(s) either individually or taken together with previous transactions during a fiscal

year, exceed(s) Rs. 1,000 Crore or 10% of the annual consolidated turnover as per the last audited financial statements of the listed entity, whichever is lower ("materiality threshold").

The Bank in its ordinary course of business has entered into agreements with various entities/ persons as Business Correspondents of the Bank, which offers various services to the bank including but not limited to identification of prospective customers, sourcing of business, collection of loan instalments etc. as permitted by the Reserve Bank of India from time to time. ESAF Swasraya Multi State Agro Co-Operative Society Limited, one of the entities in the Promoter Group, is an existing Business Correspondent of the Bank with effect from March 10, 2017.

Since the transaction with ESAF Swasraya Multi State Agro Co-Operative Society Limited under the Business Correspondents' agreement as stated above exceeds the materiality threshold as prescribed, approval of the shareholders through a special resolution is required. The details of such transactions are as follows:

Sl. No.	Particulars	Details of Transactions
1.	Name of the Related Party and Relationship	ESAF Swasraya Multi State Agro Co-Operative Society Limited (One of the Promoter Group Entities of the bank)
2.	Type and Particulars of the proposed transactions	The Related Party is acting as a Business Correspondent of the Bank.
3.	Value of the proposed transaction	The party will be paid commission/ fee/ charges based on the agreement executed with them by the Bank, which is estimated to be Rs. 577.54 Crore and reimbursement of business expenditures, till the 08 th Annual General Meeting of the bank.
4.	Material terms	The party will be paid commission/ fee/ charges for the services rendered by them to the bank within the maximum limit as provided in the pay-out structure approved by the Board or any Committee thereof from time to time.
5.	Nature of concern or interest of the related party (financial / otherwise)	Financial
6.	Tenure of the proposed transaction	The tenure of the transaction shall be 10 years from March 10, 2017
7.	Percentage of value of transaction to the Bank's annual turnover for the immediately preceding fiscal year (Based on turnover of fiscal year ended 31 March, 2023)	18.38% of the Bank's annual turnover for the fiscal year ended March 31, 2023.
8.	If the transaction relates to any loans, intercorporate deposits, advances or investments made or given by the listed entity or its subsidiary: 1. Details of financial indebtedness incurred 2. Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security 3. the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the related party transaction	Not Applicable
9.	Justification as to why the related party transaction is in the interest of the listed entity	The bank considers Business Correspondents as an integral part of its business strategy for delivery of various banking services to the unserved and underserved segments of the society and for achieving greater financial inclusion. The in-depth reach of ESAF Swasraya Multi State Agro Co-Operative Society Limited to the customer base will help the bank in achieving its business as well as financial inclusion objectives. The transaction with ESAF Swasraya Multi State Agro Co-Operative Society Limited is on an arm's length basis and is in the ordinary course of business of the bank.
10.	Valuation or other external party report	Not applicable

The Board of Directors recommends the Ordinary Resolution(s) set out at Item No. 10 for the approval of the Members.

Except Shri. Ajayan Mangalath Gopalakrishnan and his respective relatives, none of the Directors and their relatives or the key managerial personnel of the Bank and their relatives, are either financially or otherwise concerned or interested in ordinary resolution, as set out in item no. 10 of this notice.

Item No: 11 - Related Party Transactions pertaining to payment of Trademark License Fee

Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Regulations”) as amended, mandates prior approval of members by means of an ordinary resolution for all material related party transactions (“RPTs”), even if such transactions are in the ordinary course of business of the concerned company and at an arm’s length basis.

A transaction with a related party shall be considered material if the transaction(s) either individually or taken together with previous transactions during a fiscal year, exceed(s) Rs. 1,000 Crore or 10% of the annual consolidated turnover as per the last audited financial statements of the listed entity, whichever is lower (“materiality threshold”). However, a transaction involves payment made to a related party with respect to brand usage or royalty shall be considered material if the transaction exceeds 5% of

the annual consolidated turnover as per the last audited financial statements of the listed entity.

The Bank has been using the trademark “ESAF” since commencement of its business, which is owned by ESAF Foundation, a related party of the bank. In this regard, the bank has entered into a trademark license agreement with ESAF Foundation on January 05, 2020 which is valid for a period of 15 years under a consideration of 0.30% of the total income (calculated as the sum of interest earned and other income) or 2.50% of the net profit of our Bank, whichever is less (exclusive of applicable indirect taxes), as recorded in the audited financial statements of the respective financial year.

While the bank submitted the Draft Red Herring Prospectus, the Red Herring Prospectus and Prospectus with SEBI for undertaking the Initial Public Offering of the equity shares of the bank, it was undertaken to obtain shareholders’ approval for the trademark license agreement in the first general meeting of the Bank held after successful listing and trading pursuant to completion of the initial public offer by the Bank, with related parties not being permitted to vote, though presently, the consideration payable is less than the threshold stipulated by SEBI.

Accordingly, approval of the members is sought for continuation of the existing agreement entered into by the Bank with ESAF Foundation.

The details of the transaction are set out below:

Sl. No.	Particulars	Details of Transactions
1.	Name of the Related Party and Relationship	ESAF Foundation (Related Party of the Bank - Shri. Kadambelil Paul Thomas and his relatives and Shri. George Thomas, Executive Vice President of the Bank, are acting as its board members)
2.	Type and Particulars of the proposed transactions	The bank has entered into a trademark license agreement with ESAF Foundation on January 05, 2020 which is valid for a period of 15 years for an exclusive and irrevocable license and right to use the trademark
3.	Value of the proposed transaction	The party will be paid Trademark License Fee as per the agreement, at the rate of 0.30% of the total income or 2.5% of the net profit of the Bank, whichever is less (exclusive of applicable indirect taxes).



“CREATING OPPORTUNITIES” and “FIGHTING THE PARTIALITY OF PROSPERITY” which are registered trademarks of the ESAF Foundation under certain classes and “ESAF” (word mark) (collectively “Trademarks”).

4.	Material terms	The bank has entered into a trademark license agreement with ESAF Foundation on January 05, 2020 which is valid for a period of 15 years for an exclusive and irrevocable license and the party will be paid Trademark License Fee as per the agreement, at the rate of 0.30% of the total income or 2.5% of the net profit of the Bank, whichever is less (exclusive of applicable indirect taxes).
5.	Nature of concern or interest of the related party (financial / otherwise)	Financial
6.	Tenure of the proposed transaction	The tenure of the transaction shall be 15 years with effect from January 04, 2020
7.	Percentage of value of transaction to the Bank's annual turnover for the immediately preceding fiscal year (Based on turnover of fiscal year ended 31 March, 2023)	0.43% of the Bank's annual turnover for the fiscal year ended March 31, 2023.
8.	If the transaction relates to any loans, intercorporate deposits, advances or investments made or given by the listed entity or its subsidiary: 1. Details of financial indebtedness incurred 2. Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security 3. the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the related party transaction	Not Applicable
9.	Justification as to why the related party transaction is in the interest of the listed entity	The brand "ESAF" has been built over more than 30 years, beginning in 1992 when ESAF Foundation started its activities. Through the brand, the bank was able to leverage the strength of the brand to grow its business.
10.	Valuation or other external party report	Not applicable

The Board of Directors recommends the Ordinary Resolution(s) set out in Item No. 11 for the approval of the Members.

None of the Directors and their relatives or the key managerial personnel of the Bank and their relatives, except Shri. Kadambelil Paul Thomas, Managing Director and CEO and Shri. George Thomas, Executive Vice President of the Bank, and their respective relatives, are either financially or otherwise concerned or interested in ordinary resolution, as set out in item no. 11 of this notice.

