

## AU SMALL FINANCE BANK LIMITED

CIN: L36911RJ1996PLC011381

**Registered Office:** 19-A, DHULESHWAR GARDEN, AJMER ROAD,  
JAIPUR – 302001, RAJASTHAN

Tel: +91 141 4110060 | Fax: +91 141 4110090

E-mail: [investorrelations@aubank.in](mailto:investorrelations@aubank.in) | Website: [www.aubank.in](http://www.aubank.in)

### Notice of Annual General Meeting

Notice is hereby given that the Twenty Fifth (25<sup>th</sup>) Annual General Meeting (“AGM”) of the members of **AU SMALL FINANCE BANK LIMITED (“Bank”)** will be held on Tuesday, 21<sup>st</sup> July, 2020 at 3:30 p.m. through video conferencing (“VC”) or other audio visual means (“OAVM”) in light of the COVID-19 crisis and in accordance with the Circular no. 14/2020 dated April 8, 2020 read with Circular no. 17/2020 dated April 13, 2020 and Circular no. 20/2020 dated May 5, 2020 issued by the Ministry of Corporate Affairs, Government of India (‘MCA Circulars’) to transact the following business:

#### ORDINARY BUSINESS

**Item No. 1: To adopt the Audited Financial Statements of the Bank for the Financial Year ended on 31<sup>st</sup> March 2020 and the reports of the Board of Directors and the Auditors thereon.**

**Item No.2: To appoint a director in place of Mr. Sanjay Agarwal (DIN: 00009526), who retires by rotation and, being eligible, has offered himself for re-appointment.**

#### SPECIAL BUSINESS

**Item No. 3: To appoint Mr. Mankal Shankar Sriram (M S Sriram) (DIN: 00588922) as an Independent Director.**

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with rules made there under, Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, provisions of Section 10A(2)(a) of the Banking Regulation Act, 1949 and all other provisions/regulations/guidelines/notifications/circulars issued in this regard (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and on the recommendation of Nomination and Remuneration Committee, Mr. M S Sriram (DIN: 00588922), who was appointed as an Additional Director (Independent) w.e.f. 21<sup>st</sup> October, 2019 in terms of provisions of Section 161(1) of the Act and whose term of office expires at this Annual General Meeting (“AGM”) 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 and who meets the criteria of Independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, be and is hereby appointed as an Independent Director of the Bank to hold office for a term of three (3) years i.e. upto 20<sup>th</sup> October, 2022 and who shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** Board of Directors be and is hereby authorised to do all such acts, deeds and things as may be considered necessary or desirable in connection with or incidental thereto to give effect to the above resolution, including but not limited to filing of necessary forms with the Registrar of Companies, disclosures with stock exchanges and to comply with all other requirements in this regard.”

**Item No. 4: To appoint Mr. Pushpinder Singh (DIN: 08496066) as an Independent Director.**

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with rules made there under, Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, provisions of Section 10A(2)(a) of the Banking Regulation Act, 1949 and all other provisions/regulations/guidelines/notifications/circulars issued in this regard (including any statutory modification(s) or re-enactment(s) thereof for the time being in force and on the recommendation of Nomination and Remuneration Committee, Mr. Pushpinder Singh (DIN: 08496066), who was appointed as an Additional Director (Independent) w.e.f. 21<sup>st</sup> October, 2019 in terms of provisions of Section 161(1) of the Act and whose term of office expires at this Annual General Meeting (“AGM”) 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 of the Bank and who meets the criteria of Independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations 2015, be and is hereby appointed as an Independent Director of the Bank to hold office for a term of three (3) years i.e. upto 20<sup>th</sup> October, 2022 and who shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** Board of Directors be and is hereby authorised to do all such acts, deeds and things as may be considered necessary or desirable in connection with or incidental thereto to give effect to the above resolution, including but not limited to filing of necessary forms with the Registrar of Companies, disclosures with stock exchanges and to comply with all other requirements in this regard.”

**Item No. 5: To appoint Mr. Kannan Gopalraghavan Vellur (V G Kannan) (DIN:03443982) as an Independent Director.**

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with rules made there under, Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, provisions of Section 10A(2)(a) of the Banking Regulation Act, 1949 and all other provisions/regulations/guidelines/notifications/circulars issued in this regard including any statutory modification(s) or re-enactment(s) thereof for the time being in force and on the recommendation of Nomination and Remuneration Committee, Mr. V G Kannan (DIN: 03443982), who was appointed as an Additional Director (Independent) w.e.f. 22<sup>nd</sup> January 2020 in terms of provisions of Section 161(1) of the Act and whose term of office expires at this Annual General Meeting (“AGM”) 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 of the Bank and who meets the criteria of Independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, be and is hereby appointed as an Independent Director of the Bank to hold office for a term of three (3) years i.e. upto 21<sup>st</sup> January, 2023 and who shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** Board of Directors be and is hereby authorised to do all such acts, deeds and things as may be considered necessary or desirable in connection with or incidental thereto to give effect to the above resolution, including but not limited to filing of necessary forms with the Registrar of Companies, disclosures with stock exchanges and to comply with all other requirements in this regard.

**Item No. 6: To issue debt securities/bonds/other permissible instruments, in one or more tranches.**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 42, 71, 180 and other applicable provisions, if any, of the Companies Act, 2013, (“Act”) read with rules made thereunder, applicable regulations of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable rules, guidelines, circulars, notifications issued in this regard by Reserve Bank of India or any other regulatory authority (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the concerned statutory or regulatory authority(ies) approval of the Members of the Bank be and is hereby accorded to the Board of Directors (hereinafter referred to as the ‘Board’, which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons) for borrowing/raising funds denominated in Indian rupees or any other permitted foreign currency by issue of debt securities, including but not limited to long-term bonds, perpetual debt instruments, Tier I/Tier II Capital and Bonds or such other debt securities as may be permitted under RBI guidelines from time to time, on a private placement basis and/or for making offers and/or invitations thereof and/or issue(s)/ issuances thereof, for a period of one year from the date hereof, in one or more tranches and/or series and under one or more shelf disclosure documents and/or one or more letters of offer and on such terms and conditions for each series/tranches, including the price, coupon, premium, discount, tenor etc. as deemed fit by the Board, as per the structure and within the limits permitted by RBI, as applicable of an amount not exceeding ₹ 12,000 crore (Rupees Twelve Thousand Crore Only) in domestic and/or overseas market within the overall borrowing limits of the Bank and on such terms and conditions as may be approved by the Board, from time to time.

**RESOLVED FURTHER THAT** Board of Directors be and is hereby authorised to do all such acts, deeds and things as may be considered necessary or desirable in connection with or incidental thereto to give effect to the above resolution, including but not limited to filing of necessary forms with the Registrar of Companies, disclosures with stock exchanges and to comply with all other requirements in this regard.

**Item No. 7: To approve the amendments in Employee Stock Option Scheme 2015 Plan A & B (“ESOP Scheme 2015”)**

To consider and if thought fit, to pass the following Resolution as **Special Resolution**:

**“RESOLVED THAT** pursuant to provisions of Section 62(1)(b) of Companies Act, 2013 and other applicable provisions, if any, of Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable rules / notifications / guidelines / regulations / circular issued in this regard (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the relevant clauses of Articles of Association of the Bank, approval of members

be and is hereby accorded to amend/alter the ESOP Scheme 2015 by substituting the existing Section 8 of the ESOP Scheme 2015 of the Bank in the below manner subject to such approval(s)/consent(s)/permission(s)/sanction(s), as may be required, from the appropriate regulatory authorities including but not limited to the Stock Exchange(s), Securities and Exchange Board of India, Reserve Bank of India and further subject to such terms and conditions as may be prescribed while granting such approval(s) / consent(s) / permission(s) / sanction(s) which may be agreed to and accepted by the Board of Directors hereinafter referred to as the **“Board”** which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons. constituted by the Board, for the time being exercising the powers conferred on the Board by this Resolution:

Section and Heading	Existing Section	Revised Section
Section 8 – Change in Capital Structure or Corporate Action	<p>8.1.Except as hereinafter provided, a Grant made shall be subject to adjustment, by the Compensation Committee, at its discretion with respect to number and price of the Options or the Shares, as the case may be, in the event of Change in Capital Structure or occurrence of Corporate Action. However, such amendment shall be subject to compliance of Shareholder’s agreement and Article of Association of the Company.</p> <p>8.2.The existence of ESOP 2015 and the Grants made hereunder shall not in any way affect the right or the power of the BoD or the Shareholders or the Company to make, undertake or authorize any Change in Capital Structure or any Corporate Action including any issue of shares, debt or other securities having any priority or preference over the Shares or the rights thereof.</p> <p>8.3.If there is a Change in the Capital Structure of the Company before the commencement of the Exercise Period, the Option Grantee shall be entitled to Exercise the Options, in relation to such number of Resultant Shares to which he/she would have been entitled as if all the Options not exercised by him/her had been Vested in him/her before such change in the Capital Structure of the Company had taken place and the rights under the Options shall stand correspondingly adjusted.</p> <p>8.4.The Underlying Shares in respect of which the Options are granted are Shares as presently constituted. In case, Options are granted and after commencement but before expiry of the Exercise Period, there is a Change in the Capital Structure of the Company, the Vested Options that may thereafter be Exercised shall, if:</p> <p>(a) the number of Resultant Shares is more than the original Shares, shall proportionately increase and the Exercise Price shall proportionately decrease; or</p>	<p>In the event of any Change in Capital Structure or Corporate Action carried out by the Bank, any options that will be granted under the scheme / granted but are not exercised shall be appropriately adjusted by the Compensation Committee (<b>“Committee”</b>).</p> <p>The adjustment due to Change in Capital Structure or due to Corporate Action will be to the number of options and/ or Exercise Price and/ or to the number of Shares to be allotted, as the case may be, which will be at the discretion of the Committee, subject to Applicable Law.</p> <p>In the event of Change in Capital Structure or any Corporate Action to be carried out by the Bank before the Options granted under this Scheme are exercised, the Option Grantee shall be entitled to such number of Resultant Shares as appropriately adjusted considering that all outstanding Options (including granted but not vested/ vested but not exercised) have been exercised by him/ her before such Change in Capital Structure/ Corporate Action had taken place and his/ her rights for exercising of Options shall stand correspondingly adjusted.</p> <p>For any other corporate action not mentioned above, the treatment of options (including the options vested/ to be vested/ exercised/ to be exercised/ available for Grant and those available for re-issue) shall be decided by the Committee, subject to Applicable Law.</p> <p>The following shall, inter alia, be taken into consideration by the Committee before making any adjustments:</p> <p>(i) In case the provisions of the Applicable Law restrict/ prohibit the issue of the Resultant Shares at a discount, the Exercise Price shall not be less than the amount as prescribed under Applicable Law;</p>

Section and Heading	Existing Section	Revised Section
	<p>(b) The number of Resultant Shares is more than the original Shares, shall proportionately decrease and the Exercise Price shall proportionately increase. Provided that in case the provisions of the Applicable Laws restrict/prohibit the issue of Resultant Shares at a discount, the Exercise Price shall not be less than the amount as prescribed under such Applicable Law.</p> <p>8.5. Where the Options have Vested (but not exercised) or not Vested, should the equity share capital of the Company be increased by capitalization by bonus issue, appropriate adjustments shall be made either to the number of Options or the Exercise Price of Options granted, to reflect such change without in any way affecting the rights of the Option Grantee holding such Options and also preventing any dilution or enlargement of benefits of the Plan. In the event of a bonus issue of shares during the Vesting Period, in relation to the Unvested Options only, the Option Holder would be entitled to apply for and be allotted proportionately higher number of Options, exercisable on the same terms as of the original Options except the Exercise Price. The per Option Exercise Price of aggregate of original Options and bonus Options will be the aggregate Exercise Price of the number of Options eligible for Grant of bonus Options, divided by the aggregate number of original Options (eligible for bonus Options) and bonus Options. For the purpose of the Vesting Period and Exercise Period, the Bonus Options will be treated at par with the original Options on which the bonus Options have been issued.</p>	<p>(ii) The number of options and/ or Exercise Price and/ or number of Shares to be allotted shall be adjusted in a manner such that total value to the employee of the options remains as nearly as possible the same after the Change in Capital Structure/ Corporate Action;</p> <p>(iii) The vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the option holder(s);</p> <p>(iv) In case of bonus issue, Committee may adjust number of options and/ or Exercise Price and/ or allot such number of bonus shares at the time of issuing Shares against original Options, as part of adjustment to the number of original Options on account of bonus adjustments, that post allotment of such bonus shares the Option Grantee is at the same shareholding level as she/ he would have been at the time of issuance of Shares against her/ his original Options prior to the bonus issue. The Option Grantee will not be required to pay any additional consideration for such allotment of bonus shares on account of bonus adjustments.</p>

**RESOLVED FURTHER THAT** revised ESOP Scheme 2015 covering amendment to Section 8 – Change in Capital Structure or Corporate Action as placed herein before the members be and is hereby approved and adopted by the members of the Bank.

**RESOLVED FURTHER THAT** it is hereby affirmed that the amendments to the ESOP Scheme 2015 are not prejudicial to the interests of the option holders.

**RESOLVED FURTHER THAT** the Compensation Committee i.e. Nomination and Remuneration Committee or any other committee of the Bank as constituted by the Board be and is hereby authorized to implement, administer/ superintend including issue and allotment of securities under the Employee Stock Option Scheme pursuant to the exercise of options by the eligible employees.

**RESOLVED FURTHER THAT** the Board of the Bank be and is hereby authorised, wherever required including the power to delegate the authority to any official (s) of the Bank to sign application, execute, submit any documents with Stock Exchange(s) i.e. BSE Limited and National Stock Exchange of India Limited, Securities and Exchange Board

of India or any other authority(ies) as may be required, and to deliver on behalf of the Bank all deeds, documents, declarations, undertakings, clarification, submissions and other writings, as applicable to any authority and to do all such other acts, deeds, matters and things as may be required in this regard.

**Item No. 8: To approve the amendments in Employee Stock Option Scheme 2016 (“ESOP Scheme 2016”)**

To consider and if thought fit, to pass the following Resolution as **Special Resolution**:

**RESOLVED THAT** pursuant to provisions of Section 62(1)(b) of Companies Act, 2013 and other applicable provisions, if any, of Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable rules/notifications/guidelines/regulations/circular issued in this regard (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and

pursuant to the relevant clauses of Articles of Association of the Bank, consent of members be and is hereby accorded to amend/alter the ESOP Scheme 2016 by substituting the existing Section 8 of the ESOP Scheme 2016 of the Bank in the below manner subject to such approval(s)/consent(s)/permission(s)/sanction(s), as may be required, from the appropriate regulatory authorities including but not limited to the Stock Exchange(s), Securities and Exchange Board of India, Reserve Bank of India and further subject

to such terms and conditions as may be prescribed while granting such approval(s)/consent(s)/permission(s)/sanction(s), and which may be agreed to and accepted by the Board of Directors (hereinafter referred to as the **"Board"** which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons.

Section and Heading	Existing Section	Revised Section
Section 8 – Change in Capital Structure or Corporate Action	<p>8.1. Except as hereinafter provided, a Grant made shall be subject to adjustment, by the Compensation Committee, at its discretion with respect to number and price of the Options or the Shares, as the case may be, in the event of Change in Capital Structure or occurrence of Corporate Action. However, such amendment shall be subject to compliance of Shareholder's agreement and Article of Association of the Company.</p> <p>8.2. The existence of ESOP 2016 and the Grants made hereunder shall not in any way affect the right or the power of the BoD or the Shareholders or the Company to make, undertake or authorize any Change in Capital Structure or any Corporate Action including any issue of shares, debt or other securities having any priority or preference over the Shares or the rights thereof.</p> <p>8.3. If there is a Change in the Capital Structure of the Company before the commencement of the Exercise Period, the Option Grantee shall be entitled to Exercise the Options, in relation to such number of Resultant Shares to which he/she would have been entitled as if all the Options not exercised by him/her had been Vested in him/her before such change in the Capital Structure of the Company had taken place and the rights under the Options shall stand correspondingly adjusted.</p> <p>8.4. The Underlying Shares in respect of which the Options are granted are Shares as presently constituted. In case, Options are granted and after commencement but before expiry of the Exercise Period, there is a Change in the Capital Structure of the Company, the Vested Options that may thereafter be Exercised shall, if:</p> <p>(a) the number of Resultant Shares is more than the original Shares, shall proportionately increase and the Exercise Price shall proportionately decrease; or</p> <p>(b) The number of Resultant Shares is more than the original Shares, shall proportionately decrease and the Exercise Price shall proportionately increase.</p> <p>Provided that in case the provisions of the Applicable Laws restrict/prohibit the issue of Resultant Shares at a discount, the Exercise Price shall not be less than the amount as prescribed under such Applicable Law.</p> <p>8.5. Where the Options have Vested (but not exercised) or not Vested, should the equity share capital of the Company be increased by capitalization by bonus</p>	<p>In the event of any Change in Capital Structure or Corporate Action carried out by the Bank, any options that will be granted under the scheme / granted but are not exercised shall be appropriately adjusted by the Compensation Committee (<b>"Committee"</b>).</p> <p>The adjustment due to Change in Capital Structure or due to Corporate Action will be to the number of options and/ or Exercise Price and/ or to the number of Shares to be allotted, as the case may be, which will be at the discretion of the Committee, subject to Applicable Law.</p> <p>In the event of Change in Capital Structure or any Corporate Action to be carried out by the Bank before the Options granted under this Scheme are exercised, the Option Grantee shall be entitled to such number of Resultant Shares as appropriately adjusted considering that all outstanding Options (including granted but not vested/ vested but not exercised) have been exercised by him/ her before such Change in Capital Structure/ Corporate Action had taken place and his/ her rights for exercising of Options shall stand correspondingly adjusted.</p> <p>For any other corporate action not mentioned above, the treatment of options (including the options vested/ to be vested/ exercised/ to be exercised/ available for Grant and those available for re-issue) shall be decided by the Committee, subject to Applicable Law.</p> <p>The following shall, inter alia, be taken into consideration by the Committee before making any adjustments:</p> <p>(i) In case the provisions of the Applicable Law restrict/ prohibit the issue of the Resultant Shares at a discount, the Exercise Price shall not be less than the amount as prescribed under Applicable Law;</p> <p>(ii) The number of options and/ or Exercise Price and/ or number of Shares to be allotted shall be adjusted in a manner such that total value to the employee of the options remains as nearly as possible the same after the Change in Capital Structure/ Corporate Action;</p> <p>(iii) The vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the option holder(s);</p> <p>(iv) In case of bonus issue, Committee may adjust number of options and/ or Exercise Price and/ or allot such number of bonus shares at the time of issuing Shares against</p>

Section and Heading	Existing Section	Revised Section
	<p>issue, appropriate adjustments shall be made either to the number of Options or the Exercise Price of Options granted, to reflect such change without in any way affecting the rights of the Option Grantee holding such Options and also preventing any dilution or enlargement of benefits of the Plan. In the event of a bonus issue of shares during the Vesting Period, in relation to the Unvested Options only, the Option Holder would be entitled to apply for and be allotted proportionately higher number of Options, exercisable on the same terms as of the original Options except the Exercise Price. The per Option Exercise Price of aggregate of original Options and bonus Options will be the aggregate Exercise Price of the number of Options eligible for Grant of bonus Options, divided by the aggregate number of original Options (eligible for bonus Options) and bonus Options. For the purpose of the Vesting Period and Exercise Period, the Bonus Options will be treated at par with the original Options on which the bonus Options have been issued.</p>	<p>original Options, as part of adjustment to the number of original Options on account of bonus adjustments, that post allotment of such bonus shares the Option Grantee is at the same shareholding level as she/ he would have been at the time of issuance of Shares against her/ his original Options prior to the bonus issue. The Option Grantee will not be required to pay any additional consideration for such allotment of bonus shares on account of bonus adjustments.</p>

**RESOLVED FURTHER THAT** revised ESOP Scheme 2016 covering amendment to Section 8 – Change in Capital Structure or Corporate Action as placed herein before the members be and is hereby approved and adopted by the members of the Bank.

**RESOLVED FURTHER THAT** it is hereby affirmed that the amendments to the ESOP Scheme 2016 are not prejudicial to the interests of the option holders.

**RESOLVED FURTHER THAT** the Compensation Committee i.e. Nomination and Remuneration Committee or any other committee of the Bank as constituted by the Board be and is hereby authorized to implement, administer/ superintend including issue and allotment of securities under the Employee Stock Option Scheme pursuant to the exercise of options by the eligible employees.

**RESOLVED FURTHER THAT** the Board of the Bank be and is hereby authorised, wherever required including the power to delegate the authority to any official (s) of the Bank to sign application, execute, submit any documents with Stock Exchange(s) i.e. BSE Limited and National Stock Exchange of India Limited, Securities and Exchange Board of India or any other authority(ies) as may be required, and to deliver on behalf of the Bank all deeds, documents, declarations, undertakings, clarification, submissions and other writings, as applicable to any authority and to do all such other acts, deeds, matters and things as may be required in this regard.”

**Item No. 9: To approve the amendments in Employee Stock Option Scheme 2018 (“ESOP Scheme 2018”)**

To consider and if thought fit, to pass the following Resolution as **Special Resolution:**

**RESOLVED THAT** pursuant to provisions of Section 62(1)(b) of Companies Act, 2013 and other applicable provisions, if any, of Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable rules/notifications/guidelines/regulations/circular issued in this regard (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the relevant clauses of Articles of Association of the Bank, consent of members be and is hereby accorded to amend/alter the ESOP Scheme 2018 by substituting the existing Section 8 of the ESOP Scheme 2018 of the Bank in the below manner subject to such approval(s)/consent(s)/ permission(s)/sanction(s), as may be required, from the appropriate regulatory authorities including but not limited to the Stock Exchange(s), Securities and Exchange Board of India, Reserve Bank of India and further subject to such terms and conditions as may be prescribed while granting such approval(s)/consent(s)/permission(s)/ sanction(s), and which may be agreed to and accepted by the Board of Directors (hereinafter referred to as the “Board” which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons.

Section and Heading	Existing Section	Revised Section
Section 8 – Change in Capital Structure or Corporate Action	<p>8.1. Except as hereinafter provided, a Grant made shall be subject to adjustment, by the Compensation Committee, at its discretion with respect to number and price of the Options or the Shares, as the case may be, in the event of Change in Capital Structure or occurrence of Corporate Action. However, such amendment shall be subject to compliance of Shareholder's agreement and Article of Association of the Company.</p> <p>8.2. The existence of ESOP 2018 and the Grants made hereunder shall not in any way affect the right or the power of the BoD or the Shareholders or the Company to make, undertake or authorize any Change in Capital Structure or any Corporate Action including any issue of shares, debt or other securities having any priority or preference over the Shares or the rights thereof.</p> <p>8.3. If there is a Change in the Capital Structure of the Company before the commencement of the Exercise Period, the Option Grantee shall be entitled to Exercise the Options, in relation to such number of Resultant Shares to which he/she would have been entitled as if all the Options not exercised by him/her had been Vested in him/her before such change in the Capital Structure of the Company had taken place and the rights under the Options shall stand correspondingly adjusted.</p> <p>8.4. The Underlying Shares in respect of which the Options are granted are Shares as presently constituted. In case, Options are granted and after commencement but before expiry of the Exercise Period, there is a Change in the Capital Structure of the Company, the Vested Options that may thereafter be Exercised shall, if:</p> <p>(a) the number of Resultant Shares is more than the original Shares, shall proportionately increase and the Exercise Price shall proportionately decrease; or</p> <p>(b) The number of Resultant Shares is more than the original Shares, shall proportionately decrease and the Exercise Price shall proportionately increase.</p> <p>Provided that in case the provisions of the Applicable Laws restrict/prohibit the issue of Resultant Shares at a discount, the Exercise Price shall not be less than the amount as prescribed under such Applicable Law.</p> <p>8.5. Where the Options have Vested (but not exercised) or not Vested, should the equity share capital of the Company be increased by capitalization by bonus issue, appropriate adjustments shall be made either to the number of Options or the Exercise Price of Options granted, to reflect such change without in any way affecting the rights of the Option Grantee holding such Options and also preventing any dilution or enlargement of benefits of the Plan. In the event of a bonus issue of shares during the Vesting Period, in relation to the Unvested</p>	<p>In the event of any Change in Capital Structure or Corporate Action carried out by the Bank any options that will be granted under the Scheme/ granted but are not exercised shall be appropriately adjusted by the Compensation Committee ("<b>Committee</b>").</p> <p>The adjustment due to Change in Capital Structure or due to Corporate Action will be to the number of options and/ or Exercise Price and/ or to the number of Shares to be allotted, as the case may be, which will be at the discretion of the Committee, subject to Applicable Law.</p> <p>In the event of Change in Capital Structure or any Corporate Action to be carried out by the Bank before the Options granted under this plan are exercised, the Option Grantee shall be entitled to such number of Resultant Shares as appropriately adjusted considering that all outstanding Options (including granted but not vested/ vested but not exercised) have been exercised by him/ her before such Change in Capital Structure/ Corporate Action had taken place and his/ her rights for exercising of Options shall stand correspondingly adjusted.</p> <p>For any other corporate action not mentioned above, the treatment of options (including the options vested/ to be vested/ exercised/ to be exercised/ available for Grant and those available for re-issue) shall be decided by the Committee, subject to Applicable Law.</p> <p>The following shall, inter alia, be taken into consideration by the Committee before making any adjustments:</p> <p>(i) In case the provisions of the Applicable Law restrict/ prohibit the issue of the Resultant Shares at a discount, the Exercise Price shall not be less than the amount as prescribed under Applicable Law;</p> <p>(ii) The number of options and/ or Exercise Price and/ or number of Shares to be allotted shall be adjusted in a manner such that total value to the employee of the options remains as nearly as possible the same after the Change in Capital Structure/ Corporate Action;</p> <p>(iii) The vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the option holder(s);</p> <p>(iv) In case of bonus issue, Committee may adjust number of options and/ or Exercise Price and/ or allot such number of bonus shares at the time of issuing Shares against original Options, as part of adjustment to the number of original Options on account of bonus adjustments, that post allotment of such bonus shares the Option Grantee is at the same shareholding level as she/ he would have been at the time of issuance of Shares against her/ his original Options prior to the bonus issue. The Option Grantee will not be required to pay any additional</p>

Section and Heading	Existing Section	Revised Section
	Options only, the Option Holder would be entitled to apply for and be allotted proportionately higher number of Options, exercisable on the same terms as of the original Options except the Exercise Price. The per Option Exercise Price of aggregate of original Options and bonus Options will be the aggregate Exercise Price of the number of Options eligible for Grant of bonus Options, divided by the aggregate number of original Options (eligible for bonus Options) and bonus Options. For the purpose of the Vesting Period and Exercise Period, the Bonus Options will be treated at par with the original Options on which the bonus Options have been issued.	consideration for such allotment of bonus shares on account of bonus adjustments.

**RESOLVED FURTHER THAT** revised ESOP Scheme 2018 covering amendment to Section 8 – Change in Capital Structure or Corporate Action as placed herein before the members be and is hereby approved and adopted by the members of the Bank.

**RESOLVED FURTHER THAT** it is hereby affirmed that the amendments to the ESOP Scheme 2018 are not prejudicial to the interests of the option holders.

**RESOLVED FURTHER THAT** the Compensation Committee i.e. Nomination and Remuneration Committee or any other committee of the Bank as constituted by the Board be and is hereby authorized to implement, administer/ superintend including issue and allotment of securities under the Employee Stock Option Scheme pursuant to the exercise of options by the eligible employees.

**RESOLVED FURTHER THAT** the Board of the Bank be and is hereby authorised, wherever required including the power to delegate the authority to any official (s) of the Bank to sign application, execute, submit any documents with Stock Exchange(s) i.e. BSE Limited and National Stock Exchange of India Limited, Securities and Exchange Board of India or any other authority(ies) as may be required, and to deliver on behalf of the Bank all deeds, documents, declarations, undertakings, clarification, submissions and other writings, as applicable to any authority and to do all such other acts, deeds, matters and things as may be required in this regard.”

**Item No. 10 : Raising of funds through issue of equity shares and/or any other instruments or securities representing either equity shares and/or convertible securities linked to equity shares including through Qualified Institutions Placement/ preferential allotment or such other permissible mode or combinations thereof.**

To consider, and if thought fit to, pass the following Resolution, as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 23, 41, 42 and 62 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and the applicable Rules made thereunder, including the Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereto, for the time being in force) (the “**Act**”), the relevant provisions of the Banking Regulation Act, 1949, and the rules, guidelines and circulars issued by the Reserve Bank of India (the “**RBI**”) in this regard from time to time, the provisions of the Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder, as amended, from time to time (the “**FEMA**”), the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended, the current Consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (the “**GOI**”) as amended, from time to time, the Master Directions – Issue and Pricing of Shares by Private Sector Banks, Directions, 2016, the Master Directions – Ownership in Private Sector Banks, Directions, 2016, the rules, the regulations, guidelines, notifications and circulars, if any, prescribed by the GOI, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “**SEBI ICDR Regulations**”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, from time to time and subject to such other applicable rules, regulations, circulars, notifications, clarifications and guidelines issued thereon, from time to time, by the GOI, the Ministry of Corporate Affairs (the “**MCA**”), the RBI, the Securities and Exchange Board of India (the “**SEBI**”) and the Stock Exchanges where the Equity Shares of ₹ 10/- each of the Bank (“**Equity Shares**”) are listed and the enabling provisions of the Memorandum of Association and Articles of Association of the Bank and subject to the receipt of requisite approvals, consents, permissions and / or sanctions, if any, from any other appropriate statutory / regulatory authorities and subject to such other conditions and modifications as may be prescribed,



stipulated or imposed by any of the said statutory / regulatory authorities, while granting such approvals, consents, permissions, and / or sanctions, which may be agreed to by the Board of Directors of the Bank (the “**Board**”, which term shall be deemed to include any Committee(s) of Directors constituted/to be constituted by the Board, from time to time, to exercise its powers conferred herein) (the “**Committee**”), consent, authority and approval of the Members of the Bank be and is hereby accorded to the Board to create, offer, issue and allot (including with provisions for reservation on firm and/or on competitive basis, of such part of issue and for such categories of persons as may be permitted), such number of Equity Shares, and/ or Equity Shares through depository receipts, and/ or securities convertible into Equity Shares at the option of the Bank and/ or the holders of such securities, and/ or securities linked to Equity Shares, and/ or any other instrument or securities representing Equity Shares and/ or convertible securities linked to Equity Shares (all of which are hereinafter collectively referred to as “**Securities**”) or any combination of Securities, in one or more tranches, in the course of international and/ or domestic offering(s) in one or more foreign markets and/ or domestic market, of private offerings and/ or preferential allotment and/ or qualified institutions placement or any combination thereof, through issue of placement document or other permissible/requisite offer document to any eligible person, including Qualified Institutional Buyers, in accordance with Chapter VI of the SEBI ICDR Regulations, foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), alternate investment funds, foreign portfolio investors, qualified foreign investors, Indian and/ or multilateral financial institutions, mutual funds, non-resident Indians, pension funds and/ or any other categories of investors, whether they be holders of Equity Shares of the Bank or not (collectively called the “**Investors**”) as may be decided by the Board, in its sole and absolute discretion and permitted under applicable laws and regulations, in one or more tranches for an aggregate amount not exceeding ₹ 2,500 crore (Rupees Two Thousand Five Hundred Crore) or an equivalent amount thereof (inclusive of such premium as may be fixed on such Securities) (the “**Offering**”) by offering the Securities at such time or times, at such price or prices permitted under applicable laws in such manner and on such terms and conditions including security, rate of interest etc. as may be deemed appropriate by the Board in its sole and absolute discretion including the discretion, to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment of Equity Shares of ₹ 10/ each of the Bank considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/ or underwriter(s) and/ or other

advisor(s) as the Board in its sole and absolute discretion may deem fit and appropriate.

**RESOLVED FURTHER THAT** in case of issuance of Securities by way of a Qualified Institutions Placements (“**QIP**”), under Chapter VI of SEBI ICDR Regulations (the “**Eligible Securities**”):

- a. the price of the Eligible Securities shall not be less than the price as may be determined, in accordance with the pricing formula prescribed under Chapter VI of the SEBI ICDR Regulations.
- b. the Board may at its sole and absolute discretion, issue Eligible Securities at a discount of not more than five per cent (5%) or such other discount as may be permitted to the ‘floor price’ as may be determined in accordance with the pricing formula prescribed under Chapter VI of the SEBI ICDR Regulations.
- c. the Relevant Date for determination of the price of the Equity Shares shall be the date of the meeting at which the Board (which term shall be deemed to include any Committee), decides to open the proposed QIP in terms of the provisions of the Act, the SEBI ICDR Regulations and other applicable laws, rules, regulations.
- d. in case convertible securities are issued to Qualified Institutional Buyers (“**QIB**”) under Chapter VI of the SEBI ICDR Regulations, the Relevant Date for the purpose of pricing of such securities shall be either the date of the meeting at which the Board decides to open the proposed QIP of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares, in terms of the provisions of the Act, the SEBI ICDR Regulations and other applicable laws, rules, regulations.
- e. the allotment of Equity Shares to each QIB in the proposed QIP issue shall not exceed five per cent (5%) of the post issued and paid up capital of the Bank or such other limit(s) as may be prescribed under applicable laws or as approved by Reserve Bank of India.
- f. the allotment of Eligible Securities or any combination of Eligible Securities as may be decided by the Board to the each QIBs shall be fully paid-up and the allotment of such Eligible Securities shall be completed within a period of 365 days, from the date of passing of this Special Resolution by the Members of the Bank and that all such Equity Shares shall rank pari-passu inter se and with the then existing Equity Shares of the Bank, in all respects, including dividend and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Bank.

- g. the Eligible Securities shall not be sold for a period of one (1) year from the date of its allotment, except on the floor of recognised Stock Exchange(s).

**RESOLVED FURTHER THAT** without prejudice to the generality of the above, subject to applicable laws and receipt of requisite approvals, consents, permissions and / or sanctions, if any, from any other appropriate statutory / regulatory authorities and subject to such other conditions and modifications as may be prescribed, stipulated or imposed by any of the said statutory / regulatory authorities, the aforesaid issue of Securities may have all or any terms or combination of terms, in accordance with prevalent market practices or as the Board may in its sole and absolute discretion deem fit, including but not limited to the terms and conditions, relating to premium on redemption at the option of the Bank and/or holders of any securities, or variation of the price or period of conversion of Securities into equity shares or issue of equity shares during the period of the Securities or terms pertaining to voting rights or option(s) for early redemption of Securities.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the resolutions described above the Board or a duly authorised Committee thereof be and is hereby authorised for and on behalf of the Bank to do all such acts, deeds, matters and things including but not limited to finalisation and approval of the relevant offering documents, determining the form and manner of the issue, the nature and number of Securities to be allotted, timing of the issuance /Offering, determination of person(s) to whom the Securities will be offered and allotted, in accordance with applicable law, issue price, face value, discounts permitted under applicable law (now or hereafter), premium amount on issue / conversion of the Securities, if any, rate of interest, execution of various agreements, deeds, instruments and other documents, as it may in its sole and absolute discretion deem fit, necessary, proper or appropriate, and to give instructions or directions and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities (including in relation to issue of such Securities in one or more tranches from time to time) and utilisation of the issue proceeds and to accept and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions as may be required by the SEBI, the Registrar of Companies, the book running lead manager(s), or other authorities or agencies involved in or concerned with the issue of Securities and as the Board or a duly authorised committee thereof may in its sole and absolute discretion deem fit and appropriate in the best interest of the Bank, without being required to seek any further consent or approval of the Members or otherwise, and that all or any of the powers conferred on the Bank and the Board pursuant to this resolution may be exercised by the Board or a duly authorised committee

thereof as the Board has constituted or may constitute in this behalf, to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this Special Resolution, and all actions taken by the Board or any a duly authorised Committee thereof, to exercise its powers, in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed, in all respects.

**RESOLVED FURTHER THAT** the Board or a duly authorised Committee thereof be and is hereby authorised to engage / appoint Book Running Lead Managers, Underwriters, Depositories, Custodians, Registrars, Trustees, Bankers, Lawyers, Advisors and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to reimburse them out of pocket expenses and also to enter into and execute all such arrangements, agreements, memoranda, documents etc. with such agencies and to seek the listing of the Securities on the Stock Exchanges.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolutions, the Board or a duly authorised Committee thereof be and is hereby authorized for and on behalf of the Bank to negotiate, modify, sign, execute, register, deliver including sign any declarations or Notice required in connection with the private placement offer letter, information memorandum, the draft offer document, offer letter, offer document, offer circular or placement document for issue of the Securities, term sheet, issue agreement, registrar agreement, escrow agreement, underwriting agreement, placement agreement, consortium agreement, trustee agreement, trust deed, subscription agreement, purchase agreement, agency agreement, agreements with the depositories, security documents, and other necessary agreements, memorandum of understanding, deeds, general undertaking / indemnity, certificates, consents, communications, affidavits, applications (including those to be filed with the Regulatory Authorities, if any) (the "**Transaction Documents**") (whether before or after execution of the Transaction Documents) together with all other documents, agreements, instruments, letters and writings required in connection with, or ancillary to, the Transaction Documents (the "**Ancillary Documents**") as may be necessary or required for the aforesaid purpose including to sign and/or dispatch all forms, filings, documents and notices to be signed, submitted and/or dispatched by it under or in connection with the documents to which it is a party as well as to accept and execute any amendments to the Transaction Documents and the Ancillary Documents and further to do all such other acts, deeds, matters and things, mentioned herein as they may deem necessary in connection with the issue

of the Securities in one or more tranches from time to time and matters connected therewith.

**RESOLVED FURTHER THAT** in respect of the Offering, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its sole and absolute discretion consider necessary, desirable or appropriate, including submitting the relevant application to the Stock Exchange(s) for obtaining in-principle approval, listing of Equity Shares, filing of requisite documents/making declarations with the MCA, RBI, SEBI and any other Statutory / Regulatory Authority(ies), including filing of form FC-GPR, and any other deed(s), document(s), declaration(s) as may be required under the applicable laws.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of the Board, inter alia, power to determine the form, terms and timing of the issue(s)/ offering(s), issue price (including discount, if any), the quantum of Securities to be issued, including selection of Investors to whom Securities are proposed to be offered, issued and allotted and matters related thereto, as it may, in its sole and absolute discretion, deem fit and appropriate.

**RESOLVED FURTHER THAT** the Board or a duly authorised Committee thereof be and is hereby authorised to delegate all or any of the powers herein conferred to any Director(s) or Officer(s) of the Bank and to generally do all such acts, deeds, matters and things as may be required in connection with the aforesaid resolutions, including making necessary filings with the Stock Exchange(s) and Statutory / Regulatory Authorities and execution of any deeds and documents for and on behalf of the Bank and to represent the Bank before any Governmental Authorities, to give effect to this resolution.

**By the order of The Board of Directors  
For AU SMALL FINANCE BANK LIMITED**

Sd/-  
**Manmohan Parnami**  
**Company Secretary**  
**Membership No.: F9999**

Place: Jaipur  
Date: 30<sup>th</sup> May, 2020  
Registered Office: 19-A, Dhuleshwar Garden,  
Ajmer Road, Jaipur - 302001, Rajasthan  
Website: [www.aubank.in](http://www.aubank.in)  
Tel: +91 141 4110060  
Fax: +91 141 4110090  
E-mail: [investorrelations@aubank.in](mailto:investorrelations@aubank.in)

**NOTES:**

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting ("AGM") is annexed hereto. The Board of Directors of the Bank at its meeting held on 30<sup>th</sup> May 2020 considered that the special business under Item Nos. 3 to 10, being considered unavoidable, be transacted at the 25<sup>th</sup> AGM of the Bank.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8<sup>th</sup> April, 2020, 13<sup>th</sup> April, 2020 and 5<sup>th</sup> May, 2020, the Bank is conducting its AGM through VC which does not require physical presence of members at a common venue and providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Bank has entered into an arrangement with National Securities Depository Limited (NSDL) for conducting AGM through VC and facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as online voting on the date of the AGM will be provided by NSDL.
3. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13<sup>th</sup> April, 2020 and SEBI Circulars issued in this regard, the Notice calling the AGM has been uploaded on the website of the Bank at [www.aubank.in](http://www.aubank.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the facility of conducting AGM through VC and Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
4. The Notice is being electronically sent to all the members of the Bank, whose name appear on the Register of Members/List of Beneficial Owners, as received from National Security Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) on Friday, 19<sup>th</sup> June, 2020 and who have registered their e-mail addresses with the Bank and/or with the Depositories. It is however, clarified that all the persons who are members of the Bank as on Tuesday, 14<sup>th</sup> July, 2020 (including those members who may not have received this Notice due to non-

registration of their e-mail IDs with the Bank or the Depositories) shall be entitled to vote in relation to the resolutions specified in this Notice.

5. Members may join the 25<sup>th</sup> AGM through VC Facility by following the procedure as mentioned below which shall be kept open for the Members from 3:00 p.m. IST i.e. 30 minutes before the time scheduled to start the 25<sup>th</sup> AGM and the Bank may close the window for joining the VC Facility, 30 minutes after the scheduled time to start the 25<sup>th</sup> AGM. However, the participation of members holding 2% or more is not restricted on first come first serve basis. Attendance of members will be counted as the members who have successfully logged in through VC or OAVM and shall be counted for the purpose of reckoning of the quorum under section 103 of the Companies Act, 2013.
6. Only those members, who are present in the meeting through VC or OAVM facility and have not cast their vote on resolutions through remote e-voting and are otherwise not barred from doing so, shall be allowed to vote through e-voting system.
7. Since AGM will be held through VC, there would be no requirement of appointing proxy in accordance with the MCA circular. Accordingly, appointment of proxies by the member will not be applicable.
8. There is no record date for the purpose of Dividend as the same is not recommended by the Board of Directors for FY 2019-20 pursuant to guidelines issued by RBI.
9. Members wishing to claim unclaimed dividends are requested to correspond with the Registrar and Share Transfer Agent (RTA) of the Bank i.e. Link Intime India Pvt. Ltd. or the Company Secretary of the Bank. The Bank has uploaded the details of unclaimed dividend amounts lying with the Bank on the website of the Bank at [www.aubank.in/investor-grievance](http://www.aubank.in/investor-grievance)

Members are requested to note that dividends, which are not claimed within seven years from the date of transfer to the Bank's Unpaid Dividend Account, will as per the provisions of Section 124 of the Companies Act, 2013 and rules made thereunder, be transferred to the Investor Education and Protection Fund. Further, pursuant to the provisions of Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended (the IEPF Rules), all shares in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred to the demat account of

the Investor Education and Protection Fund authority (IEPF Authority).

10. With a view to using natural resources responsibly, we request shareholders to update their contact details including e-mail address, mandates, nominations, power of attorney, bank details covering name of the bank and branch details, bank account number, MICR code, IFSC code, etc. with their depository participants to enable the Bank to send all the communications electronically including Annual Report, Notices, Circulars, etc.
11. On account of the threat posed by COVID-19 and in terms of the MCA Circulars, the Bank will send the Annual report and AGM notice in electronic form only. The hard copy of Annual Report and AGM notice along with annexures will not be sent to the members in accordance with the requirements specified under the MCA Circulars.
12. Members may also note that the Notice of 25<sup>th</sup> AGM and the Annual Report for the financial year 2019-20 of the Bank is posted on the Bank's website i.e. [www.aubank.in](http://www.aubank.in) and at the website of the NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The physical copies of the documents will also be available at the Bank's registered office for inspection during the normal business hours between 10:00 AM to 5:00 PM on working days up to the date of the AGM. Members having any queries, may please write to us at [investorrelations@aubank.in](mailto:investorrelations@aubank.in). Further, During the 25<sup>th</sup> AGM, Members may access the required documents upon Log-in to NSDL e-Voting system at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
13. Brief profile and other additional information pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by The Institute of Company Secretaries of India, in respect of the Directors seeking appointment at the AGM, is furnished as annexure to the Notice.
14. The Securities Exchange Board of India has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Bank.

15. Members are requested to:

- a) notify the change in address if any, with Pin Code numbers immediately to the Bank.
- b) quote their Regd. Folio Number/DP and Client ID Nos. in all their correspondence with the Bank or its RTA i.e. Link Intime India Pvt. Ltd., C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel No: +91 22- 49186000 Fax: +91 22 49186060, Website: [www.linkintime.co.in](http://www.linkintime.co.in)

16. Non-Resident Indian Members are requested to inform RTA of the Bank any change in their residential status on return to India for permanent settlement, particulars of their bank account maintained in India with complete name, branch account type, account number and address of Bank with pin code number, if not furnished earlier. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.

17. Members can submit questions in advance with regard to the financial statements or any other matter to be placed at the 25<sup>th</sup> AGM, from their registered email address, mentioning their name, DP ID and Client ID / folio number and mobile number, to reach the Bank's email address at [investorrelations@aubank.in](mailto:investorrelations@aubank.in) from July 15, 2020 to July 17, 2020. Such questions by the Members shall be taken up during the meeting and replied by the Bank suitably.

Further, Members, who would like to ask questions during the 25<sup>th</sup> AGM with regard to the financial statements or any other matter to be placed at the 25<sup>th</sup> AGM, need to register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID / folio number and mobile number, to reach the Bank's email address at [investorrelations@aubank.in](mailto:investorrelations@aubank.in) from July 15, 2020 to July 17, 2020.

Those Members who have registered themselves as a speaker shall be allowed to ask questions during the 25<sup>th</sup> AGM, depending upon the availability of time.

**18. Voting option**

**Voting through Electronic Means**

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Bank is pleased to provide to the members facility to exercise their right to vote at the AGM by electronic means and the business may be transacted through e-Voting Services.

The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (remote e-voting) will be provided by National Securities Depository Limited (**NSDL**).

In this regard, your Demat Account/Folio Number will be enrolled by the Bank for your participation in remote e-voting on resolutions placed by the Bank on remote e-Voting system.

19. The remote e-voting period commences on Friday, 17<sup>th</sup> July, 2020 (9:00 A.M. IST) and ends on Monday, 20<sup>th</sup> July, 2020 (5:00 P.M. IST). During this period, members of the Bank, holding shares either in physical form or in dematerialised form, as on the cut-off date of Tuesday, 14<sup>th</sup> July, 2020, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

20. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Bank as on the cut-off date i.e. Tuesday, 14<sup>th</sup> July, 2020.

21. The Board of Directors have appointed CS Manoj Maheshwari, Practicing Company Secretary (Membership No. FCS: 3355) and failing him CS Vikas Mehta (Membership No. FCS: 9985), as the Scrutiniser to scrutinise the polling and remote e-Voting process in a fair and transparent manner.

**Instructions for E-voting are as under:**

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

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

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

**Details on Step 1 is mentioned below:**

**How to Log-in to NSDL e-Voting website?**

- i. 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.
- ii. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
- iii. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

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

- iv. 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***

- v. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.

- c) How to retrieve your ‘initial password’?
  - (i) If your e-mail ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail 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 e-mail ID is not registered, please follow steps mentioned below in process for those shareholders whose e-mail ids are not registered
- vi. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/ folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- vii. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- viii. Now, you will have to click on “Login” button.
- ix. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

- i. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

- ii. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- iii. Select "**EVEN 112968**" of company for which you wish to cast your vote.
- iv. Now you are ready for e-Voting as the Voting page opens.
- v. 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.
- vi. Upon confirmation, the message "Vote cast successfully" will be displayed.
- vii. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- viii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for shareholders

- i. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- ii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or contact Ms. Pallavi Mhatre, Manager / Mr. Amit Vishal, Senior Manager, National Securities Depository Ltd., Trade World, 'A' Wing, 4<sup>th</sup> Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated e-mail address: [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in)/[amitv@nsdl.co.in](mailto:amitv@nsdl.co.in)/[evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or at telephone no. +91 22 24994545 / 022-24994360 who will also address the grievances connected with the voting by electronic means or who need assistance before or during the AGM. Members may also write to the Company Secretary at the e-mail address: [investorrelations@aubank.in](mailto:investorrelations@aubank.in) or contact at telephone no. 0141-4110060/61.

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

##### i) For Temporary Registration for Demat shareholders:

The Members of the Company holding Equity Shares of the Company in Demat Form and who have not registered their e-mail addresses may temporarily get their e-mail addresses registered with Link Intime India Pvt Ltd by clicking the link: [https://linkintime.co.in/emailreg/email\\_register.html](https://linkintime.co.in/emailreg/email_register.html) at the Investor Services tab by choosing the E mail Registration heading and follow the registration process as guided therein. The members are requested to provide details such as Name, DPID, Client ID/ PAN, mobile number and e-mail id. In case of any query, a member may send an e-mail to RTA at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.**

##### ii. For Permanent Registration for Demat shareholders:

It is clarified that for permanent registration of e-mail address, the Members are requested to register their e-mail address, in respect of demat holdings with the respective Depository Participant (DP) by following the procedure prescribed by the Depository Participant.

##### iii. Registration of Bank Details

Please Contact your Depository Participant (DP) and register your email address and Bank account details in your demat account, as per the process advised by your DP.

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

- i. Member will be provided with a facility to attend the AGM through VC by the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC will be available in shareholder/members 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. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

- ii. Members are encouraged to join the meeting through Laptops for better experience.
  - iii. Please note that participants connecting from mobile devices or tablets or through laptop, connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
  - iv. Members can raise questions during the meeting or in advance at [investorrelations@aubank.in](mailto:investorrelations@aubank.in). However, it is requested to raise the queries precisely and in short at the time of meeting to enable to answer the same. Those Members who have registered themselves as a speaker will be given preference to express their views/ask questions during the meeting.
24. The results of voting will be declared and the same along with the Scrutiniser's Report will be published on the website of the Bank ([www.aubank.in](http://www.aubank.in)) and the website of NSDL ([www.nsdl.com](http://www.nsdl.com)) immediately after the declaration of result by the Chairman and the same will also be communicated to BSE Limited and the National Stock Exchange of India Limited within 48 hours from the conclusion of the AGM.

**25. Other information:**

- i. Any person, who acquires shares of the Bank and becomes member of the Bank after dispatch of the notice and holding shares as on the cut-off date i.e. Tuesday, 14<sup>th</sup> July, 2020, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact Bank's RTA.

However, if you are already registered with NSDL for remote e-Voting then you can use your existing user ID and password/PIN for casting your vote. If you forgot your password, you can reset your password by using 'Forgot User Details/Password' or 'Physical User Reset Password?' option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the toll free no.: 1800-222-990.

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

- i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
  - ii. Only those Members, 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.
  - iii. 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.
  - iv. 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.
22. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. Tuesday, 14<sup>th</sup> July, 2020, only shall be entitled to avail the facility of remote e-Voting.
23. The Scrutiniser shall after the conclusion of voting at the AGM, will submit consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare results (consolidated) within 48 hours from the conclusion of the meeting.
- ii. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a 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/attend the AGM, to the Scrutinizer by email at [cs.vmanda@gmail.com](mailto:cs.vmanda@gmail.com)
  - iii. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed with this Notice.

**By the order of The Board of Directors  
For AU SMALL FINANCE BANK LIMITED**

Sd/-  
**Manmohan Parnami**  
Company Secretary  
Membership No.: F9999

Place: Jaipur  
Date: 30<sup>th</sup> May, 2020  
Registered Office: 19-A, Dhuleshwar Garden,  
Ajmer Road, Jaipur - 302001, Rajasthan  
Website: [www.aubank.in](http://www.aubank.in)  
Tel: +91 0141 4110060  
Fax: +91 0141 4110090  
E-mail: [investorrelations@aubank.in](mailto:investorrelations@aubank.in)



## Explanatory Statement pursuant to the provisions of Section 102(1) of Companies Act, 2013

The following statement sets out all material facts relating to the Special Business mentioned in the above Notice:

### ITEM NO. 3, 4 & 5

Mr. M S Sriram (DIN: 00588922), Mr. Pushpinder Singh (DIN:08496066) and Mr. V G Kannan (DIN: 03443982) on the recommendation of Nomination and Remuneration Committee ("**NRC**"), were respectively appointed as Additional Directors by the Board of Directors ("**Board**") pursuant to the provisions of Section 161 of the Companies Act, 2013 ("**Act**") and holds office upto the date of this Annual General Meeting of the Bank.

The NRC has carried fit and proper assessment & performance evaluation of Mr. M S Sriram, Mr. Pushpinder Singh and Mr. V G Kannan respectively and the Board on the recommendation of NRC has considered their profile suitable to be appointed for a period of 3 years each and has accordingly recommended the same to the members.

The Bank has also received declarations from Mr. M S Sriram, Mr. Pushpinder Singh & Mr. V G Kannan that they meet the criteria for being appointed as Independent Director as provided under Section 149(6) of the Act and Regulation 16 (1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of their appointment a notice of candidature under section 160 of the Act has been received. The Board has reviewed and affirmed the veracity of the declaration of independence as provided by them and considering their experience in the banking industry, expertise on subject matter in Financial inclusion, Information Technology and banking & finance, credit risk management, treasury and other related fields respectively, are of the opinion that their appointment would be beneficial for the Bank.

They are not disqualified/debarred from being appointed as Independent Directors in terms of Section 164 of the Act, or by any order of Securities and Exchange Board of India and have given their consent to act as Director of the Bank. In the opinion of the Board, they fulfil the conditions for their appointment as prescribed under the relevant provisions of the Act and rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Banking Regulation Act, 1949 and other guidelines issued by the RBI, from time to time and are independent of the management.

Save and except Mr. M S Sriram, Mr. Pushpinder Singh and Mr. V G Kannan being appointees, none of the other Directors/Key Managerial Personnel (KMP) of the Bank or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item nos. 3, 4 & 5 of the notice.

The Board recommends passing of Ordinary Resolutions set out at Item No. 3, 4 & 5 of the Notice for approval by the members.

### ITEM NO. 6

Pursuant to provisions of Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 provides that Bank can issue securities including non-convertible debentures (NCDs)/Bonds on a private placement basis subject to the condition that the proposed offer of debt securities or invitation to subscribe to debt securities has been previously approved by the Shareholders of the Bank, by means of a special resolution, for each of the offers or invitations. In case of an offer or invitation for NCDs, it shall be sufficient if the company passes a special resolution only once in a year for all offer(s) or invitation(s) for issue of such NCDs on a private placement basis, during the period of one year from the date of passing of the special resolution.

Considering the above, the Board of Directors of the Bank at its meeting held on 2<sup>nd</sup> May 2020 has proposed to obtain the consent of the Shareholders of the Bank for borrowing/ raising of funds in Indian currency/ foreign currency by issue of debt securities/other securities in domestic and/ or overseas market, in one or more tranches as per the structure and within the limits permitted by the Reserve Bank of India and other regulatory authorities to eligible investors of an amount not exceeding ₹ 12,000 crore (Rupees Twelve Thousand Crore), on a private placement basis during a period of one year from the date of passing of the special resolution. The said securities would be issued by the Bank in accordance with the applicable statutory guidelines, for cash either at par or premium to face value depending upon the prevailing market conditions.

None of the Director or and Key Managerial Personnel of the Bank or their relatives are, directly or indirectly, financially or otherwise, concerned or interested in the Resolution set out at Item No. 6.

The Board of Directors recommends the passing of the Special Resolution at Item No. 6 of the Notice to the members of the Bank.

**ITEM NO. 7 TO 9**

Currently Bank has implemented following ESOP Schemes collectively referred as (“**ESOP Schemes**”):

- Employee Stock Option Scheme 2015 – Plan A & B
- Employee Stock Option Scheme 2016
- Employee Stock Option Scheme 2018

As per the provisions of ESOP Schemes, in case of Corporate Action/Change in Capital Structure appropriate adjustments shall be made either to the number of Options or the Exercise Price of Options granted, to reflect such change without in any way affecting the rights of the Option Grantee holding such Options and also preventing any dilution or enlargement of benefits of the ESOP Schemes.

The amendment in the scheme is being proposed with an intent to streamline the section 8 of all the schemes to cover the adjustments to number of options and/ or Exercise Price across all ESOP schemes. Therefore, Bank is hereby proposing to rephrase the section 8 i.e. “Change in Capital Structure or Corporate Action” of ESOP Schemes. Through this amendment, we are proposing to authorise the Nomination and Remuneration Committee (“Compensation Committee”) for making appropriate adjustments to number of options and/ or to Exercise Price and/ or to allot such number of shares arising out of of such Corporate Action/Change in Capital Structure by the Bank.

None of the Director or and Key Managerial Personnel of the Bank or their relatives are, directly or indirectly, financially or otherwise, concerned or interested in the Resolution set out at Item No. 7 to 9 except to the extent of their shareholding and to the extent of ESOPs that may be granted under the respective ESOP schemes.

The Board of Directors recommends the passing of the Special Resolution at Item No. 7 to 9 of the Notice to the members of the Bank.

Sr. No.	Particulars	Description for ESOP Scheme 2015 Plan A & Plan B	Description for ESOP Scheme 2016	Description for ESOP Scheme 2018
1	Brief description of the scheme(s)	Total number of options under the ESOP Scheme 2015 Plan A was 38,36,058 and Plan B was 49,33,194 out of which Bank granted 37,96,633 options under Plan A and 47,72,951 options under Plan B and 2.00 lakh options are available for grant under ESOP Scheme 2015	Total number of options under the ESOP Scheme 2016 was 21,00,000 out of which Bank granted 11,40,401 options and 9.60 lakh options are available for grant under ESOP Scheme 2016	Total number of options under the ESOP Scheme 2018 was 49,33,200 out of which Bank granted 44,99,433 options and 4.34 lakh options are available for grant under ESOP Scheme 2018
2	Total number of options, SARs, shares or benefits, as the case may be to be granted	2.00 lakh options shall be available for grant under ESOP Scheme 2015 excluding the Options that will be available for re-issue from total ESOP Pool.	9.60 lakh options shall be available for grant under ESOP Scheme 2016 excluding the Options that will be available for re-issue from total ESOP Pool.	4.34 lakh options shall be available for grant under ESOP Scheme 2018 excluding the Options that will be available for re-issue from total ESOP Pool.
3	Identification of classes of employees entitled to participate and be beneficiaries in the scheme(s)	Scheme shall extend to eligible employees of the Bank as determined by the Nomination and Remuneration Committee (“NRC”). The scheme shall also be extended to new recruits of the Bank, as may be determined by NRC from time to time.	Scheme shall extend to eligible employees of the Bank as determined by the Nomination and Remuneration Committee (“NRC”). The scheme shall also be extended to new recruits of the Bank, as may be determined by NRC from time to time.	Scheme shall extend to eligible employees of the Bank as determined by the Nomination and Remuneration Committee (“NRC”). The scheme shall also be extended to new recruits of the Bank, as may be determined by NRC from time to time.

Sr. No.	Particulars	Description for ESOP Scheme 2015 Plan A & Plan B	Description for ESOP Scheme 2016	Description for ESOP Scheme 2018										
4	Requirements of vesting and period of vesting	<p>The continuity of employee in the services of the Bank shall be the primary requirement of the vesting. Vesting period is as below:</p> <table border="1"> <thead> <tr> <th data-bbox="478 476 654 518">Vesting Date</th> <th data-bbox="654 476 829 518">Vesting of the Options</th> </tr> </thead> <tbody> <tr> <td data-bbox="478 538 654 621">One (1) year from the date of grant</td> <td data-bbox="654 538 829 621">Vesting of 20% Options ("1<sup>st</sup> Vesting")</td> </tr> <tr> <td data-bbox="478 621 654 704">On expiry of One (1) year from 1<sup>st</sup> Vesting</td> <td data-bbox="654 621 829 704">Vesting of 30% Options ("2<sup>nd</sup> Vesting")</td> </tr> <tr> <td data-bbox="478 704 654 808">On expiry of Two (2) years from 1<sup>st</sup> Vesting</td> <td data-bbox="654 704 829 808">Remaining 50% Options ("3<sup>rd</sup> Vesting")</td> </tr> <tr> <td data-bbox="478 808 654 849"><b>Total</b></td> <td data-bbox="654 808 829 849"><b>100%</b></td> </tr> </tbody> </table>	Vesting Date	Vesting of the Options	One (1) year from the date of grant	Vesting of 20% Options ("1 <sup>st</sup> Vesting")	On expiry of One (1) year from 1 <sup>st</sup> Vesting	Vesting of 30% Options ("2 <sup>nd</sup> Vesting")	On expiry of Two (2) years from 1 <sup>st</sup> Vesting	Remaining 50% Options ("3 <sup>rd</sup> Vesting")	<b>Total</b>	<b>100%</b>	<p>The continuity of employee in the services of the Bank shall be the primary requirement of the vesting. Options granted under this scheme would vest after one year but not later than six years from the date of Grant of such options.</p>	<p>The continuity of employee in the services of the Bank shall be the primary requirement of the vesting. Options granted under this scheme would vest after one year but not later than six years from the date of Grant of such options.</p>
Vesting Date	Vesting of the Options													
One (1) year from the date of grant	Vesting of 20% Options ("1 <sup>st</sup> Vesting")													
On expiry of One (1) year from 1 <sup>st</sup> Vesting	Vesting of 30% Options ("2 <sup>nd</sup> Vesting")													
On expiry of Two (2) years from 1 <sup>st</sup> Vesting	Remaining 50% Options ("3 <sup>rd</sup> Vesting")													
<b>Total</b>	<b>100%</b>													
5	Maximum period (subject to regulation 18(1) and 24(1) of the regulations, as the case may be) within which the options / SARs / benefit shall be vested	Options granted under this scheme would vest after one year but not later than four years from the date of Grant of such options.	Options granted under this scheme would vest after one year but not later than six years from the date of Grant of such options.	Options granted under this scheme would vest after one year but not later than six years from the date of Grant of such options.										
6	Exercise price, SAR price, purchase price or pricing formula	<ul style="list-style-type: none"> <li>ESOP Scheme 2015 Plan A - ₹ 10.11/-</li> <li>ESOP Scheme 2015 Plan B - ₹ 33.37/-</li> </ul>	Exercise price of options shall be determined as average of weekly high and low of volume weighted average price (VWAP) of AU Small Finance Bank Equity Shares on the stock exchange having higher trading volume during the last twenty-six weeks from the day preceding the date of grant.	Exercise Price means the price per Share payable by the Option Grantee in order to exercise the Options granted to him as set out in his Letter of Grant.										
7	Exercise period and process of exercise	The exercise period shall be within 4 years from the date of 1 <sup>st</sup> Vesting date and employees shall be required to submit their exercise notice electronically/physical form to the Bank for exercising their options and accompanied by the Exercise Price payable for such Shares.	The exercise period shall be within Six (6) years from the 1 <sup>st</sup> Vesting date of the Options under the ESOP 2016 and employees shall be required to submit their exercise notice electronically/physical form to the Bank for exercising their options and accompanied by the Exercise Price payable for such Shares.	The exercise period shall be within Six (6) years from the 1 <sup>st</sup> Vesting date of the Options under the ESOP 2018 and employees shall be required to submit their exercise notice electronically/physical form to the Bank for exercising their options and accompanied by the Exercise Price payable for such Shares.										

Sr. No.	Particulars	Description for ESOP Scheme 2015 Plan A & Plan B	Description for ESOP Scheme 2016	Description for ESOP Scheme 2018
8	The appraisal process for determining the eligibility of employees for the scheme(s)	The criteria for determining the nos. of Options to be granted to employees is decided on the basis of rating, objective assessment of the performance of employees, tenure of service, their contribution and proposed role in the Bank.	The criteria for determining the nos. of Options to be granted to employees decided on the basis of rating, objective assessment of the performance of employees, tenure of service, their contribution and proposed role in the Bank. The specific Employees to whom the Options will be granted and their eligibility criteria, shall be determined by the NRC Committee	The criteria for determining the nos. of Options to be granted to employees decided on the basis of rating, objective assessment of the performance of employees, tenure of service, their contribution and proposed role in the Bank. The specific Employees to whom the Options will be granted and their eligibility criteria, shall be determined by the NRC Committee
9	Maximum number of options, SARs, shares, as the case may be to be issued per employee and in aggregate	2.00 lakh options shall be available for grant under ESOP Scheme 2015, which is to be granted by NRC to employees excluding the Options that will be available for re-issue from total ESOP Pool.	9.60 lakh options shall be available for grant under ESOP Scheme 2016, which is to be granted by NRC to employees excluding the Options that will be available for re-issue from total ESOP Pool.	4.34 lakh options shall be available for grant under ESOP Scheme 2018, which is to be granted by NRC to employees excluding the Options that will be available for re-issue from total ESOP Pool.
10	Maximum quantum of benefits to be provided per employee under a scheme(s)	As may be decided by Nomination and Remuneration committee.	As may be decided by Nomination and Remuneration committee.	As may be decided by Nomination and Remuneration committee.
11	Whether the scheme(s) is to be implemented and administered directly by the company or through a trust	The Scheme is administered through a Trust, except corporate action in this regard including allotment of securities which is to be carried out by the Bank.	The Scheme is administered through a Trust, except corporate action in this regard including allotment of securities which is to be carried out by the Bank.	The Scheme is administered through a Trust, except corporate action in this regard including allotment of securities which is to be carried out by the Bank.
12	Whether the scheme(s) involves new issue of shares by the company or secondary acquisition by the trust or both	Both i.e. New issue of shares by Bank and secondary acquisition by the Trust	Both i.e. New issue of shares by Bank and secondary acquisition by the Trust	Both i.e. New issue of shares by Bank and secondary acquisition by the Trust
13	Amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc.	As may be decided by Nomination and Remuneration committee of the Board	As may be decided by Nomination and Remuneration committee of the Board	As may be decided by Nomination and Remuneration committee of the Board
14	Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s);	As may be decided by Nomination and Remuneration committee of the Board	As may be decided by Nomination and Remuneration committee of the Board	As may be decided by Nomination and Remuneration committee of the Board
15	Company shall confirm to the accounting policies specified in regulation 15	The Bank confirm to the applicable Accounting Standards, Companies Act, 2013 and SEBI guidelines as may be applicable including the disclosure and accounting policies as specified in the SEBI guidelines and such other guidelines applicable from time to time shall be complied by the Bank.	The Bank confirm to the applicable Accounting Standards, Companies Act, 2013 and SEBI guidelines as may be applicable including the disclosure and accounting policies as specified in the SEBI guidelines and such other guidelines applicable from time to time shall be complied by the Bank.	The Bank confirm to the applicable Accounting Standards, Companies Act, 2013 and SEBI guidelines as may be applicable including the disclosure and accounting policies as specified in the SEBI guidelines and such other guidelines applicable from time to time shall be complied by the Bank.

Sr. No.	Particulars	Description for ESOP Scheme 2015 Plan A & Plan B	Description for ESOP Scheme 2016	Description for ESOP Scheme 2018
16	Method which the company shall use to value its options or SARs	The Bank to use one of the applicable methods to value its options and difference in value of shares and grant price if any shall be amortized and it shall be disclosed in the Board's Report. Also, the impact of this difference on profits and on Earnings Per Share (EPS) of the Bank shall be disclosed in the Board's Report	The Bank to use one of the applicable methods to value its options and difference in value of shares and grant price if any shall be amortized and it shall be disclosed in the Board's Report. Also, the impact of this difference on profits and on Earnings Per Share (EPS) of the Bank shall be disclosed in the Board's Report	The Bank to use one of the applicable methods to value its options and difference in value of shares and grant price if any shall be amortized and it shall be disclosed in the Board's Report. Also, the impact of this difference on profits and on Earnings Per Share (EPS) of the Bank shall be disclosed in the Board's Report
17	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.'	It is hereby confirmed that the details as required herein will be disclosed in the Board's Report.	It is hereby confirmed that the details as required herein will be disclosed in the Board's Report	It is hereby confirmed that the details as required herein will be disclosed in the Board's Report.
18.	Reference of 'AU Financiers (India) Limited' wherever used in the	Employee Stock Option Scheme 2015 – Plan A & B has been replaced with 'AU Small Finance Bank Limited' (" <b>Bank</b> ") pursuant to obtaining of banking license and on becoming Scheduled Commercial Bank.		
19.	The reference of "Company" wherever prescribed in the schemes to be construed and read as " <b>Bank</b> "			
20.	Exercise form for exercising option has been revised in accordance with format available in online software.			
21	The reference of Plan wherever prescribed is to be construed and read as Scheme or vice-versa.			

### ITEM NO. 10

The Bank has been growing well and been consistently performing on all counts in the last 3 years, since it commenced operations as a Small Finance Bank. For the period of FY17-20, the bank grew its AUM at a CAGR of 42%, Reported PAT at a CAGR of 30%. During this period, despite holding sufficient capital buffers, the bank raised ₹ 1,000 crore of Equity Capital in 2018 from a marquee investor Temasek, a global investment company headquartered in Singapore. This was driven mainly by the Bank's long-term strategy wherein Bank has always ensured that it remains well capitalized while delivering consistent growth in Balance Sheet and delivering healthy profitability.

#### Purpose / objects of the fund raise

As on 31<sup>st</sup> March 2020, our Bank's Capital to Risk Weighted Asset Ratio ("CRAR") and Tier I ratio stood at 22.0% and 18.4% respectively. This is significantly above the minimum

requirement of 15%, which reflects our Bank's internal policy to keep our leverage in check by maintaining our CRAR above ~17-18% levels.

Despite near term uncertainties around growth, lending opportunities in the banking sector for our Bank remain quite strong, and our relative competitive positioning in the sector continues to flourish, with significant opportunities in retail and MSME financing.

As a matter of prudence in the wake of challenging macro environment, and to also be better prepared for future, it would be important that Bank maintains stronger buffers of liquidity and capital adequacy.

In view of above, Bank is planning to raise capital additional equity capital upto ₹ 2,500 crore (Rupees

Two Thousand Five Hundred Crore only) in one or more tranches for supporting the Bank's long-term growth aligned to its internal risk appetite and to maintain sufficient headroom over and above the regulatory capital adequacy requirements.

The Special Resolution as set out in Item No. 10 of this Notice is an enabling resolution to raise capital by way of a private placement, including by way of a Qualified Institutions Placement ("QIP") in accordance with Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "SEBI ICDR Regulations") and therefore the proposal seeks to confer upon the Board or a duly authorised Committee thereof, the sole and absolute discretion to determine the terms and conditions of the said issue of securities, including the exact price, proportion and timing of such issue, mode of offer based on an analysis of market conditions and the specific requirements in accordance with the applicable laws.

None of the Director or and Key Managerial Personnel of the Bank or their relatives are, directly or indirectly, financially or otherwise, concerned or interested in the

Resolution set out at Item No. 10 of this Notice except to the extent of their shareholding.

The Board recommends passing of the Special Resolution as set out in Item No. 10 of this Notice, for the approval of the Members.

**By the order of The Board of Directors  
For AU SMALL FINANCE BANK LIMITED**

Sd/-  
**Manmohan Parnami**  
**Company Secretary**  
**Membership No.: F9999**

Place: Jaipur  
Date: 30<sup>th</sup> May, 2020

Registered Office: 19-A, Dhuleshwar Garden,  
Ajmer Road, Jaipur - 302001, Rajasthan  
Website: [www.aubank.in](http://www.aubank.in)  
Tel: +91 141 4110060  
Fax: +91 141 4110090  
E-mail: [investorrelations@aubank.in](mailto:investorrelations@aubank.in)

**BRIEF PROFILE AND OTHER INFORMATION OF DIRECTORS BEING APPOINTED / RE-APPOINTED / WHOSE REMUNERATION IS BEING REVISED, AS SET OUT IN THIS NOTICE, IN TERMS OF THE REGULATION 36 (3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND THE SECRETARIAL STANDARD ON GENERAL MEETINGS (SS-2) ISSUED BY THE INSTITUTE OF THE COMPANY SECRETARIES OF INDIA.**

Particulars	Item No. 2 for Mr. Sanjay Agarwal	Item No. 3 for Mr. M S Sriram	Item No. 4 for Mr. Pushpinder Singh	Item No. 5 for Mr. V G Kannan
Age	50 Years	57 Years	67 Years	63 Years
Date of first appointment on Board	22 <sup>nd</sup> January 2003	21 <sup>st</sup> October 2019	21 <sup>st</sup> October 2019	22 <sup>nd</sup> January 2020
Qualification	<ul style="list-style-type: none"> <li>Chartered Accountant</li> </ul>	<ul style="list-style-type: none"> <li>Fellow, Indian Institute of Management, Bangalore</li> <li>Post Graduate Diploma in Rural Management (PGDRM) from Institute of Rural Management, Anand (IRMA)</li> </ul>	<ul style="list-style-type: none"> <li>B.SC</li> <li>CAIIB</li> </ul>	<ul style="list-style-type: none"> <li>University of Madras - (M.B.A.) - (1977 - 1980)</li> <li>Madurai Kamaraj University - (B.B.A.) (1974 - 1977)</li> <li>University of Pennsylvania - Organizational Leadership Executive program</li> </ul>
Brief Resume including experience	<p>Mr. Sanjay Agarwal is promoter and Managing Director &amp; CEO of the Bank and has 25 years of strategic executive experience. He has extensive experience in Retail Finance, Accountancy, Agriculture &amp; Rural Economy, Banking, Human Resource Management, Credit Risk and Business Management.</p> <p>He spearheads several initiatives that helped to create a nimble and agile organisation. He is credited with creating a culture of business excellence and delivering superior benchmark performance through his vision and execution-oriented approach. He has led Bank's evolution to the highest standards of corporate governance with enhanced disclosures and high level engagement with key stakeholders. He has received many awards and recognition including EY Entrepreneur of the Year 2018, Innovative Leader of the Year by ET Now, Business Leader of the Year award by ICAI, Personality of the year (Finance Category) at Rajasthan Entrepreneur Excellence Award and ET Gamechanger of India - 2019.</p>	<p>Mr. M S Sriram joined the Board of the Bank in October 2019. He has more than 30 years of experience in Financial Inclusion &amp; Microfinance, Rural Economy, Co-operatives, and Agriculture Finance.</p> <p>Presently, He is Chairperson of the Centre for Public Policy &amp; Faculty member at IIM Bangalore (IIMB). He is also a Distinguished Fellow at the Institute for Development of Research and Innovation in Banking Technology, Hyderabad.</p> <p>Prior to this, he was Professor of Finance and Accounting and the ICICI Bank Lalita D Gupte Chair Professor of Microfinance at the Indian Institute of Management, Ahmedabad.</p> <p>He is a Director on Board of IDMC, NDDB Dairy Services and other institutions. He also held position as shareholder director on the Board of Union Bank of India for a period of 6 years.</p> <p>He has authored many books including annual 'Inclusive Finance India Report' for the years 2015, 2016 and 2017.</p>	<p>Mr. Pushpinder Singh joined the Board of the Bank in October 2019. He is a Banking Technology expert with over 35 years of rich experience. In his career, he focused on technological advancement and implementing IT as key enabler in the Banking sector.</p> <p>With humble beginning at Bank of India, his career progressed, and promoted as Chief Information Officer (CIO) where he was responsible for IT infrastructure, implementation of various IT systems and projects. His valuable contribution to the IT Sector was duly acknowledged and he was also awarded with CIO Masters award in year 2013. He was associated with National Payment Corporation of India (NPC) as advisor on FI and new Business till 2017.</p> <p>At NPCI, he headed as product and business development lead for AePS product using Aadhaar authentication for payments using Micro ATMs. Presently, he is Member of the IT Strategy Committee of the Board of SIDBI for advising on IT strategic matters.</p>	<p>Mr. V G Kannan joined the Board of the Bank in January 2020. He is a career banker with over 38 years of experience in the Banking &amp; Financial Services Space and has held several leadership positions in the Sector. Mr. Kannan has significant experience in Banking &amp; Financial Sector, especially in credit &amp; risk management, Insurance, Capital markets and Treasury &amp; Fund Management. Mr. Kannan is acknowledged as an authority in Credit, Treasury, Risk and Investment Management in the Banking sector. He handled several leadership positions with State Bank of India (SBI), its subsidiaries &amp; group companies as Managing Director of SBI. Thereafter, Mr. Kannan was Chief Executive of Indian Bank's Association (IBA) where he led the development of sound and progressive banking principles and working closely with all banks to find resolutions to various systemic &amp; operational issues by introducing new systems or services in the Banking industry. He was on the governing council of Indian Institute of Banking &amp; Finance (IIBF). He was also Chairman of an RBI appointed committee to examine interchange in ATM services and served as a member of another RBI committee on secondary market for corporate loans.</p>

Particulars	Item No. 2 for Mr. Sanjay Agarwal	Item No. 3 for Mr. M S Sriram	Item No. 4 for Mr. Pushpinder Singh	Item No. 5 for Mr. V G Kannan
Nature of his expertise in specific functional areas	<ul style="list-style-type: none"> <li>Banking</li> <li>Accountancy</li> <li>Agriculture and Rural Economy</li> <li>Economics</li> <li>Finance</li> <li>Small Scale Industry</li> <li>Human Resource</li> <li>Risk Management</li> <li>Business Management</li> </ul>	<ul style="list-style-type: none"> <li>Banking</li> <li>Financial Inclusion</li> <li>Agriculture and Rural Economy</li> <li>Economics</li> <li>Financial Inclusion</li> </ul>	<ul style="list-style-type: none"> <li>Information Technology &amp; Payment Settlement</li> <li>Banking</li> <li>Risk Management</li> </ul>	<ul style="list-style-type: none"> <li>Banking</li> <li>Finance</li> <li>Credit Risk Management</li> <li>Insurance</li> <li>Capital markets</li> <li>Treasury &amp; Fund Management.</li> </ul>
Other Directorship	None	<ul style="list-style-type: none"> <li>NDDB dairy services</li> <li>IDMC limited</li> <li>People research on India's consumer economy</li> </ul>	Vectorcalideo India LLP	None
Chairmanship / Memberships of Committees in other companies in which position of Director is held	None	IDMC Limited – Member Audit Committee	None	None
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	None	None	None	None
No. of equity shares held in the Company	5,67,66,359	Nil	100	5
Performance Evaluation Summary	The evaluation of Mr. Sanjay Agarwal was carried out by Nomination and Remuneration Committee and Board of Directors in the prescribed format. Board of Directors opined that his re-appointment would be beneficial for the Bank.	The evaluation of Mr. M S Sriram was carried out by Nomination and Remuneration Committee and Board of Directors in the prescribed format and after assessing the fit and proper assessment and other factors, Board of Directors opined that his appointment would be beneficial for the Bank.	The evaluation of Mr. Pushpinder Singh was carried out by Nomination and Remuneration Committee and Board of Directors in the prescribed format and after assessing the fit and proper assessment and other factors, Board of Directors opined that his appointment would be beneficial for the Bank.	The evaluation of Mr. V G Kannan was carried out by Nomination and Remuneration Committee and Board of Directors in the prescribed format and after assessing the fit and proper assessment and other factors, Board of Directors opined that his appointment would be beneficial for the Bank.
No. of Board meetings attended during the year	7	3	4	2
Terms and conditions of appointment	Executive Director liable to retire by rotation and other terms and conditions as stipulated by RBI	Appointment as Independent Director for a period of 3 years	Appointment as Independent Director for a period of 3 years	Appointment as Independent Director for a period of 3 years
Remuneration last drawn	₹ 185.95 lakh inclusive of basic salary, allowances and other perquisites as approved by RBI. (In FY 19-20, on receipt of RBI approval, ₹ 45 lakh were released to Mr. Sanjay Agarwal as Bonus for FY 2017-18 which is not included herein above.)	<ol style="list-style-type: none"> <li>₹ 4.45 lakh in accordance with RBI guidelines on compensation to Non- Executive Director (₹ 10 lakh Per annum being maximum in accordance with guidelines)</li> <li>Sitting fees details are as follows: <ul style="list-style-type: none"> <li>₹ 75,000/- for Board meeting</li> <li>₹ 30,000/- for each committee meeting</li> </ul> </li> </ol>	<ol style="list-style-type: none"> <li>₹ 4.45 lakh in accordance with RBI guidelines on compensation to Non- Executive Director (₹ 10 lakh Per annum being maximum in accordance with guidelines)</li> <li>Sitting fees details are as follows: <ul style="list-style-type: none"> <li>₹ 75,000/- for Board meeting</li> <li>₹ 30,000/- for each committee meeting</li> </ul> </li> </ol>	<ol style="list-style-type: none"> <li>₹ 1.91 lakh in accordance with RBI guidelines on compensation to Non- Executive Director (₹ 10 lakh Per annum being maximum in accordance with guidelines)</li> <li>Sitting fees details are as follows: <ul style="list-style-type: none"> <li>₹ 75,000/- for Board meeting</li> <li>₹ 30,000/- for each committee meeting</li> </ul> </li> </ol>
Remuneration sought to be paid	No revision in remuneration sought to be paid is proposed.	Compensation to be paid in accordance with RBI guidelines and sitting fees as may be approved by Board of Directors from time to time.	Compensation is to be paid in accordance with RBI guidelines and sitting fees as may be approved by Board of Directors from time to time.	Compensation to be paid in accordance with RBI guidelines and sitting fees as may be approved by Board of Directors from time to time.