**AU SMALL FINANCE BANK LIMITED**
**(formerly known as AU Financiers (India) Limited)**
CIN: L36911RJ1996PLC011381
Registered Office: 19-A, DHULESHWAR GARDEN, AJMER ROAD,
JAIPUR – 302001, RAJASTHAN
Tel: +91 0141 4110060 | Fax: +91 0141 4110090
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# Notice of Annual General Meeting

Notice is hereby given that the Twenty Third (23rd) Annual General Meeting ("AGM") of the members of **AU SMALL FINANCE BANK LIMITED** ("Bank") will be held on Tuesday, 7th August, 2018 at 03:30 PM at Chancellor Hall, Hotel Holiday Inn, Sardar Patel Marg, 22 Godam Circle, C –Scheme, Jaipur – 302001 to transact the following business:

## ORDINARY BUSINESS

**ITEM NO. 1:** To consider and adopt the Audited Financial Statements of the Bank for the Financial Year ended 31st March, 2018 and the reports of the Board of Directors and the Auditors thereon.

**ITEM NO. 2:** To declare dividend on equity shares for the financial year ended 31st March 2018.

**ITEM NO. 3:** 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.

**ITEM NO. 4:** To ratify the appointment of M/S S.R. BATLIBOI & ASSOCIATES LLP, Chartered Accountants (Registration No. 101049W/E300004) as the Statutory Auditors of the Bank.

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

**"RESOLVED THAT** pursuant to the provisions of Section 139, 141 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, and the applicable provisions of the Banking Regulation Act, 1949 or re-enactment(s) thereof for the time being in force and the Rules, Circulars and Guidelines issued by the Reserve Bank of India from time to time and pursuant to the resolution passed by the Members at the Twenty Second Annual General Meeting held on 27th September 2017 appointing M/S S.R. BATLIBOI & ASSOCIATES LLP, Chartered Accountants (Registration No. 101049W/E300004) as Statutory Auditors of the Bank to hold office for four (4) years from the conclusion of the Twenty Second Annual General Meeting till the conclusion of the Twenty Sixth Annual General Meeting, the appointment of M/S S.R. BATLIBOI & ASSOCIATES LLP, Chartered Accountants (Firm Registration No. 101049W/E300004), as statutory auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of 24th Annual General Meeting, be and is hereby ratified by the Members of the Bank, subject to approval from Reserve Bank of India and such other regulatory authorities, as may be applicable, and on such terms and conditions, including remuneration, as approved by the Board of Directors of the Bank."

## SPECIAL BUSINESS

**ITEM NO. 5:** To appoint Mr. Raj Vikash Verma (DIN: 03546341) 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 and any other applicable provisions, if any, of the Companies Act, 2013 **("Act")** and the Rules made there under read with Schedule IV of the Act and also in accordance with Section 10A(2A) of the Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Raj Vikash Verma (DIN:03546341), who was appointed as an Additional Director(Independent) of the Bank by the Board of Directors at its meeting held on 30th January, 2018 in terms 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 SEBI (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 commencing from January 30, 2018 and whose office 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 and to comply with all other requirements in this regard."

**ITEM NO. 6:** To revise the compensation (Profit Linked Commission) payable to Mr. Mannil Venugopalan (DIN:00255575), as the Non-Executive (Part-Time) Chairman.

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

**"RESOLVED THAT** pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant rules made thereunder, the relevant provisions of Section 35B and other applicable provisions, if any, of the Banking Regulation Act, 1949 (including any statutory amendment(s) thereto, modification(s)or re-enactment(s) thereof, for the time being in force) and the rules, guidelines and circulars issued by the Reserve Bank of India, from time to time and subject to such other approvals, as may be applicable, approval of the members be and is hereby accorded to revise the annual compensation (profit linked commission) to ₹ 20,00,000/-(Twenty lakhs only) payable exclusive of sitting fees, travelling and other out of pocket expenses for Financial Year 2018-19 and onwards to Mr. Mannil Venugopalan (DIN:00255575) as the Non-Executive (Part-Time) Chairman of the Bank, subject to approval of Reserve Bank of India.

**RESOLVED FURTHER THAT** the Board of Directors of the Bank be and is hereby authorized to execute all such documents, instruments and writings as deemed necessary, with the power to settle all questions, difficulties or doubts that may arise in this regard as it may in its sole and absolute discretion deem fit and to do all such acts, deeds, matters and things as it may consider necessary and desirable and to delegate all or any of its powers herein conferred to any Director(s)/Officer(s) of the Bank, to give effect to this resolution."

**ITEM NO. 7:** To revise the remuneration payable to Mr. Sanjay Agarwal (DIN 00009526), as the Managing Director & CEO.

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

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197 and other applicable provisions, if any, of the Companies Act, 2013, read with the relevant rules made thereunder and Schedule V of the Companies Act 2013, the relevant provisions of Section 35B and other applicable provisions, if any, of the Banking Regulation Act, 1949 (including any statutory amendment(s) thereto, modification(s) or re-enactment(s) thereof, for the time being in force) and the rules, guidelines and circulars issued by the Reserve Bank of India, from time to time, approval of the members of the Bank be and is hereby accorded to revise the remuneration with 15% increase in fixed pay for Financial Year 2018-19 and 70% of fixed pay, as variable pay for performance of Financial Year 2017-18 to be paid to Mr. Sanjay Agarwal, Managing Director & CEO by way of salary, allowances and perquisites and other amount as detailed herein as may be approved by Reserve Bank of India and subject to such other compliances/approval as may be required in this regard.

Below is the bifurcation of existing and proposed fixed pay for Mr. Sanjay Agrawal.

| Sr. No. | Items | Existing (₹) | Proposed (₹) |
|---|---|---|---|
| 1 | Salary | 58,86,744 | 67,60,464 |
| 2 | Dearness allowance | - | - |
| 3 | House rent allowance | 23,54,700 | 33,80,232 |
| 4 | Conveyance allowance | - | - |
| 5 | Entertainment allowance | - | - |
| 6 | Other allowances | - | - |
| | (a) Special Allowance | 64,38,804 | 67,23,858 |
| | (b) Transport Allowance | 19,200 | 19,200 |
| | (c) Education Allowance | 2,400 | 2,400 |
| | (d) Medical Reimbursement | 15,000 | 15,000 |
| | **Total** | **1,47,16,848** | **1,69,01,154** |
| | **Perquisites** | | |
| 1 | Free furnished house | Nil | Nil |
| 2 | Free use of bank's car | | |
| | -Official Purpose | Two cars with chauffeur for each | Two cars with chauffeur for each |
| | -Private Purpose | - | - |
| 3 | Servant Allowance | Reimbursement of servant expenses | Reimbursement of servant expenses |
| 4 | Provident Fund/Gratuity/Pension<br>-Provident Fund<br>-Gratuity | As applicable to all employees of bank<br>24,048<br>2,59,104 | As applicable to all employees of bank<br>23,670<br>3,25,176 |
| 5 | Travelling and Halting Allowances | On Actuals | On Actuals |
| 6 | Medical reimbursement | Ceiling of one month's basic salary annually or three months' basic salary over 3 years | Ceiling of one month's basic salary annually or three months' basic salary over 3 years |
| 7 | Other benefits | | |
| | - Insurance | Total of ₹ 5,00,00,000 for health, personal accidental insurance and Group Insurance Scheme, together | Total of ₹ 5,00,00,000 for health, personal accidental insurance and Group Insurance Scheme, together |
| | -Leave Travel Concession | For self and family once a year incurred in accordance with Company rules | For self and family once a year incurred in accordance with Company rules |

**RESOLVED FURTHER THAT** when in any financial year, the Bank has no profits or its profits are inadequate, the remuneration including the perquisites as aforesaid will be paid to Mr. Sanjay Agarwal in accordance with the applicable provisions of Schedule V of the Act, and subject to the approval of the Central Government, if required.

**RESOLVED FURTHER THAT** the aggregate of the remuneration and perquisites as aforesaid in any financial year shall not exceed the limit from time to time under Section 197, Section 198 and other applicable provisions of the Act and Rules made thereunder, read with Schedule V of the said Act or any statutory modification(s) or re-enactment thereof for the time being in force, or otherwise as may be permissible under the law.

**RESOLVED FURTHER THAT** in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule V to the Companies Act, 2013, or any other relevant Statutory enactment(s) thereof in this regard, the Board of Directors be and are hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances etc. within such prescribed limit or ceiling and the said agreement between the company and Mr. Sanjay Agarwal, be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members for their approval.

**RESOLVED FURTHER THAT** Board of Directors of the Bank be and is hereby authorized to do all deeds, things, acts as may deemed necessary, in this regard but not limited to making correspondences in this regard with RBI or any other regulatory authority and/or to settle all questions, difficulties or doubts that may arise in this regard as it may in its sole and absolute discretion deem fit and to delegate all or any of its powers herein conferred to any Director(s)/Officer(s) of the Bank, to give effect to this resolution."

**ITEM NO. 8:** To Revise the remuneration payable to Mr. Uttam Tibrewal (DIN: 01024940), as the Whole Time Director.

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

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197 and other applicable provisions, of the Companies Act, 2013, if any read with the relevant rules made thereunder and Schedule V of the Companies Act 2013, the relevant provisions of Section 35B and other applicable provisions, if any, of the Banking Regulation Act, 1949 (including any statutory amendment(s) thereto, modification(s) or re-enactment(s) thereof, for the time being in force) and the rules, guidelines and circulars issued by the Reserve Bank of India, from time to time, approval of the members of the Bank be and is hereby accorded to revise the remuneration with 15% increase in fixed pay for Financial Year 2018-2019 and 70% of fixed pay, as variable pay for performance of Financial Year 2017-18 to be paid to Mr. Uttam Tibrewal, Whole Time Director by way of salary, allowances and perquisites and other amount as detailed herein as may be approved by Reserve Bank of India and subject to such other compliances/approval as may be required in this regard.

| Sr. No. | Items | Existing (₹) | Proposed (₹) |
|---|---|---|---|
| 1 | Salary | 51,04,248 | 58,60,596 |
| 2 | Dearness allowance | - | - |
| 3 | House rent allowance | 20,41,704 | 29,30,304 |
| 4 | Conveyance allowance | - | |
| 5 | Entertainment allowance | - | |
| 6 | Other allowances | | |
| | (a) Special Allowance | 55,78,068 | 58,24,002 |
| | (b) Transport Allowance | 19,200 | 19,200 |
| | (c) Education Allowance | 2,400 | 2,400 |
| | (d) Medical Reimbursement | 15,000 | 15,000 |
| | **Total** | **1,27,60,620** | **14,651,502** |
| | **Perquisites** | | |
| 1 | Free furnished house | Nil | Nil |
| 2 | Free use of bank's car | | |
| | -Official Purpose | One car with chauffeur for each car | One car with chauffeur for each car |
| | -Private Purpose | - | - |
| 3 | Servant Allowance | Reimbursement of servant expenses | Reimbursement of servant expenses |
| 4 | Provident Fund/Gratuity/Pension<br>-Provident Fund<br>-Gratuity | As applicable to all employees of bank<br>24,048<br>2,21,472 | As applicable to all employees of bank<br>23,670<br>2,81,892 |
| 5 | Travelling and Halting Allowances | On Actuals | On Actuals |
| 6 | Medical reimbursement | Ceiling of one month's basic salary annually or three months' basic salary over 3 years | Ceiling of one month's basic salary annually or three months' basic salary over 3 years |
| 7 | Other benefits | | |
| | - Insurance | Total of ₹ 5,00,00,000 for health, personal accidental insurance and Group Insurance Scheme, together | Total of ₹ 5,00,00,000 for health, personal accidental insurance and Group Insurance Scheme, together |
| | -Leave Travel Concession | For self and family once a year incurred in accordance with Company rules | For self and family once a year incurred in accordance with Company rules |

**RESOLVED FURTHER THAT** when in any financial year, the Bank has no profits or its profits are inadequate, the remuneration including the perquisites as aforesaid will be paid to Mr. Uttam Tibrewal in accordance with the applicable provisions of Schedule V of the Act, and subject to the approval of the Central Government, if required.

**RESOLVED FURTHER THAT** the aggregate of the remuneration and perquisites as aforesaid in any financial year shall not exceed the limit from time to time under Section 197, Section 198 and other applicable provisions of the Act and Rules made thereunder, read with Schedule V of the said Act or any statutory modification(s) or re-enactment thereof for the time being in force, or otherwise as may be permissible under the law.

**RESOLVED FURTHER THAT** in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule V to the Companies Act, 2013, or any other relevant Statutory enactment(s) thereof in this regard, the Board of Directors be and are hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances etc. within such prescribed limit or ceiling and the said agreement between the company and Mr. Uttam Tibrewal, be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members for their approval.

**RESOLVED FURTHER THAT** Board of Directors of the Bank be and is hereby authorized to do all deeds things acts as may deemed necessary, in this regard but not limited to making correspondences in this regard with RBI or any other regulatory authority and/or to settle all questions, difficulties or doubts that may arise in this regard as it may in its sole and absolute discretion deem fit and to do all such acts, deeds, matters and things as it may consider necessary and desirable and to delegate all or any of its powers herein conferred to any Director(s)/Officer(s) of the Bank, to give effect to this resolution."

**ITEM NO. 9:** To authorize board to borrow money in excess of paid up capital, free reserves and securities premium of the bank u/s 180(1)(c) of the Companies Act, 2013

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

**"RESOLVED THAT** in suppression of the earlier resolution passed by the members of the bank in the Annual General Meeting held on August 31, 2016 & pursuant to the provisions of Section 180(1) (c) and other applicable provisions, if any, of the Companies Act, 2013 read with The Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and as per the applicable provisions of Banking Regulation Act, 1949 and rules, guidelines and circulars issued by Reserve Bank of India, from time to time, the consent of the members of the Bank be and is hereby accorded to the Board of Directors of the Bank (hereinafter called "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) to borrow for the purpose of business of the Bank, such sum or sums of monies as they may deem necessary, notwithstanding the fact that the monies so borrowed and the monies to be borrowed from time to time (apart from (i) temporary loans obtained from the company's bankers in the ordinary course of business and (ii) acceptances of deposits of money from public repayable on demand or otherwise and withdrawable by cheque, draft, order or otherwise and / or temporary loans obtained in the ordinary course of business from banks, whether in India or outside India) will exceed the aggregate of the paid up capital of the Bank, its free reserves and securities premium, provided that the total amount so borrowed including the money already borrowed and the money to be borrowed by the board in any manner permissible at any time shall not exceed ₹ 22,000 Crore (Rupees Twenty-Two Thousand Crore)."

**"RESOLVED FURTHER THAT** the Board of Directors of the Bank be and is hereby authorized to do all such acts, deeds and things and to sign all such documents and writings as may be necessary, expedient and incidental thereto including delegating its powers under the resolution to give effect to this resolution and for matters connected therewith or incidental thereto."

**ITEM NO. 10:** To approve issue of 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, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and the applicable provisions of the Banking Regulation Act, 1949 (including any statutory amendment(s) thereto or modification(s) or re-enactment(s) thereof for the time being in force) and the rules, circulars and guidelines issued by Reserve Bank of India ("RBI"), from time to time and all other relevant provisions of applicable law(s),the provisions of the Memorandum and Articles of Association of the Bank 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), the approval of the Members of the Bank be and is hereby accorded to the Board of Directors (hereinafter referred to as "The Board" and which term shall be deemed to include any Committee of the Board or any other persons to whom powers are delegated by the Board as permitted under the Companies Act, 2013) 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 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, on private placement basis, 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 Crores) in domestic and/or overseas market, on a private placement basis during a period of one year from the date of passing of this Resolution, within the overall borrowing limits of the Bank and on such terms and conditions as may be approved by the Board, from time to time."

**RESOLVED FURTHER THAT** the Board of Directors of the bank be and is hereby authorized to delegate all or any of its powers conferred herein to any Committee or any director(s) or officer(s) of the Bank and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper and desirable and to settle any question, difficulty or doubt that may arise with regard to the issue of the securities.

**Item No. 11:** To approve AU Small Finance Bank Limited - Employee Stock Option Scheme 2018.

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

**"RESOLVED THAT** in terms of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the **"SEBI Regulations"**) issued by the Securities and Exchange Board of India **("SEBI")** and as amended from time to time and pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (the **"Act"**) read with Rule 12 of The Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the provisions of the Articles of Association of the Bank and subject to such permissions and approvals as may be required and subject to such conditions and modifications as may be imposed by any of the authorities while granting such permissions and approvals and agreed to by the Board of Directors of the Bank (hereinafter referred to as **"the Board"**, which term shall include the Nomination and Remuneration Committee or any other Committee of the Bank constituted by the Board to exercise its powers in relation hereto, including the powers conferred by this Resolution and/or such other persons who may be authorized by the Board or the Nomination and Remuneration Committee in this regard), which the Board be and is hereby authorized to accept on behalf of the Bank and subject to such other conditions and modifications as may be imposed on or considered necessary by the Board, the approval of the members be and is hereby accorded to adopt the Share Based Employee Benefit Scheme of the Bank under the name and style of "AU SMALL FINANCE BANK LIMITED - Employees Stock Option Scheme 2018" (**"AU ESOP Scheme 2018"**) and authorizing the Board/Committee, to exercise its powers, including the powers conferred by this resolution, to grant, offer, issue and allot at any time or from time to time to or for the benefit of the employee(s) of the Bank, including director(s) except Independent director(s) of the Bank, selected on the basis of criteria prescribed by the Board/Committee in accordance with the Companies Act, 2013 (hereinafter referred to as **"eligible employees"** of the Bank) except an employee/director who is a promoter or belongs to the promoter group or a director who either himself or through his relative or through anybody corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Bank, options exercisable into not more than 49,33,200 ( Forty Nine Lakhs Thirty Three Thousand Two Hundred) equity shares of the Bank (**"Equity Share(s)"**) under one or more tranches, and on such terms and conditions as may be fixed or determined by the Board/ Nomination & Remuneration Committee in accordance with the provisions of the law or guidelines issued by the relevant authority; each option would be exercisable for one Equity Share of the face value of ₹ 10/- each fully paid-up on payment of the requisite exercise price to the Bank.

**RESOLVED FURTHER THAT** each option shall vest in the hands of the option holder after a minimum period of one Year from the date of grant of the option or such longer period as may be determined by the Board/Nomination and Remuneration Committee from time to time subject to the conditions mentioned that the option grantee continues to be an employee of the Bank and the performance or other conditions as may be determined by the Board from time to time.

**RESOLVED FURTHER THAT** vested option can be exercised in whole or in part after the vesting date and within the vesting period only by the employee to whom the option have vested by making an application to the Bank for issue of shares against the option vested to him/ her by paying requisite amount of money and the unexercised portion of the vested options, will continue to be available to the employee or the nominee for exercise as provided for in the scheme and the options granted to an employee's cannot be transferred to any other person.

**RESOLVED FURTHER THAT** the Nomination & Remuneration Committee and Board be and is hereby severally authorized to issue and allot Equity Shares upon exercise of options from time to time in accordance with the AU ESOP Scheme 2018 and such Equity Shares shall rank pari passu in all respects with the then existing Equity Shares.

**RESOLVED FURTHER THAT** the "AU FINANCIERS EMPLOYEES WELFARE TRUST" be and is hereby authorized for administering the ESOP Scheme as per terms and conditions set out under **"AU ESOP SCHEME 2018"**.

**RESOLVED FURTHER THAT** in case the Equity Shares are either sub-divided or consolidated or in case of Bonus issue or other corporate action, then the number of shares to be allotted under the schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹10/- per Equity Share bears to the revised face value of the Equity Shares after such sub-division or consolidation or Bonus or other corporate action and the price of acquisition payable by the option grantees shall automatically stand reduced or augmented, as the case may be, in the same proportion as the revised face value of the Equity Shares after such sub-division or consolidation or other corporate action bears to the present face value of ₹10/- per Equity Share, without affecting any other rights or obligations of the said Allottees.

**RESOLVED FURTHER THAT** the shares may be allotted in accordance with **AU ESOP SCHEME 2018** either directly or through "AU FINANCIERS EMPLOYEES WELFARE TRUST" or any other Trust which has been or may be set up in any permissible manner and that **"AU ESOP SCHEME 2018"** may also envisage for providing any financial assistance to the trust, subject to the applicable law(s), to enable the trust to acquire, purchase or subscribe to the shares of the Bank.

**RESOLVED FURTHER THAT** the Bank may also provide any financial assistance to said Trust to acquire, purchase or subscribe to the said equity shares of the Bank in accordance with the provision of the SEBI Regulations, Companies Act, 2013 and the Scheme.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take necessary steps for listing of the securities allotted under the scheme(s) on the stock exchanges in future, where the securities of the Bank is listed in accordance with listing agreement executed with the concerned stock exchange(s) as per the provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and other applicable guidelines, rules and regulations.

**RESOLVED FURTHER THAT** the Nomination & Remuneration committee of the Bank be and is hereby authorized to advise to the Board to make modifications, changes, variations, alterations or revisions in the said schemes as it may deem fit subject to Shareholder's approval, from time to time, in its sole and absolute discretion in conformity with the provisions of the Companies Act, 2013, as amended, modified or re-enacted from time to time, the Memorandum and Articles of Association of the Bank, SEBI Guidelines and any other applicable laws.

**RESOLVED FURTHER THAT** the Nomination and Remuneration Committee and any other committee of the Bank as constituted by the Board be and are hereby authorized to implement, administer/superintend the scheme including identifying the eligible employees and determining the number of option that may be offered to them pursuant to the scheme.

**RESOLVED FURTHER THAT** a document AU SMALL FINANCE BANK LIMITED - EMPLOYEES STOCK OPTION SCHEME 2018 titled as "**AU ESOP SCHEME 2018**" as tabled at the meeting and initialed by the chairman for the purpose of identification, be and is hereby approved and the same shall come into effect from the date of passing of shareholders resolution.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary or expedient in this regard at any stage without requiring the Board to secure any further consent or approval of the members of the Bank in this regard."

**BY THE ORDER OF THE BOARD OF DIRECTORS**
**FOR AU SMALL FINANCE BANK LIMITED**

**Sd/-**
**MANMOHAN PARNAMI**
**COMPANY SECRETARY**
**M.No. - A16586**

**PLACE: JAIPUR**
**DATE: 26th April, 2018**

**Notes:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL IN THE MEETING INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE BANK.**

2. **An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.**

3. A person can act as proxy on behalf of not exceeding fifty members and holding in aggregate, not more than 10% of the total paid up share capital of the Bank. A member holding more than ten percent of the total paid up share capital of the Bank carrying voting rights may appoint a single person as proxy provided that such person shall not act as proxy for any other person or shareholder.

4. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution to the Bank, authorizing their representative to attend and vote on their behalf at the meeting.

5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

6. The instrument appointing the proxy, duly completed in all respect, must be deposited at the Bank's Registered office not less than 48 hours before commencement of the meeting. A proxy form for the AGM is enclosed.

7. Members / Proxies / Authorized Representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.

8. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.

9. The Register of Members and Share Transfer Books of the Bank will remain closed from Wednesday, 1st August 2018 to Tuesday, 7th August, 2018 i.e. for 7 days (both days inclusive) for the purpose of Annual General Meeting.

10. Dividend on Equity shares as recommended by the Board of Directors for the year ended 31st March, 2018, if approved at the Meeting, will be payable to those members who hold shares of the Bank based on the beneficial ownership details to be received from National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business hours on Tuesday, 31st July, 2018.

11. In order to receive the dividend without loss of time, all the eligible shareholders holding shares in Demat mode are requested to update with their respective Depository Participants before 24th July, 2018, their correct Bank Account Number, including 9 Digit MICR Code and 11 digit IFSC Code, E-Mail ID and Mobile No(s). This will facilitate the remittance of the dividend amount as directed by SEBI in the Bank Account electronically. Updation of E-mail IDs and Mobile No(s) will enable sending communication relating to credit of dividend, un-encashed dividend, etc.

12. Members wishing to claim unclaimed dividends are requested to correspond with the Company Secretary of the Bank, at the Bank's registered office. The Bank shall within a period of 90 days of transferring such amount to 'Unpaid Dividend Account' prepare a statement containing the names, last known addresses and the amount of Dividend to be paid to each of the Members. Such statement shall be uploaded on the website of the Bank (www.aubank.in), if any, and also on the website specified by the Central Government for this purpose. Such statement shall remain on the website(s) till such time the unpaid or unclaimed Dividend is transferred to the Investor Education and Protection Fund (the Fund) and be updated by the Bank at regular Intervals.

    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.

13. With a view to using natural resources responsibly, we request shareholders to update their email address with their depository participants to enable the Bank to send all the communications electronically including Annual Report, Notices, Circulars, etc.

14. The Annual Report for the financial year 2017-18, the Notice of the 23rd AGM and instructions for e-voting, along with the Attendance Slip and Proxy Form, are being sent by electronic mode to all members whose email addresses are registered with the Bank/Depository Participant(s), unless a member has requested for a physical copy of the documents. For members who have not registered their email addresses, physical copies of the documents are being sent by the permitted mode.

15. Members may also note that the Notice of 23rd AGM and the Annual Report for the financial year 2017-18 of the Bank is posted on the Bank's website i.e., www.aubank.in. and at the website of the Registrar and Transfer Agent at www.Linkintime.co.in. 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 AM to 5 PM on working days upto the date of the AGM. Members who require communication in physical form in addition

to e-communication or have any other queries, may please write to us at investorrelations@aubank.in

16. Brief profile and other Additional information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard -2 on General Meetings issued by The Institute of Company Secretaries of India, in respect of the directors seeking appointment/re-appointment at the AGM, is furnished as annexure to the Notice. The directors have furnished consent/ declaration of their appointment/re-appointment as required under the Companies Act, 2013 and the Rules made thereunder.

17. The Securities and Exchange Board of India (SEBI) 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 their PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agents.

18. Attendance registration:

    - Shareholders are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall.

    - The Shareholder needs to furnish the printed Attendance Slip along with a valid identity proof such as the PAN card, passport, AADHAR card or driving license to enter the AGM venue.

19. 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 Registrar and Share Transfer Agent “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, Link Intime India Website: www.linkintime.co.in

20. 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 the bank with pin code number, if not furnished earlier.

21. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.

22. Members desirous of getting any information about the accounts and/or operation of the Bank are requested to write to the Bank at least seven days before the date of meeting to enable us to keep the information ready at the meeting.

**23. 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) and Regulation 44 of SEBI (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 members facility to exercise their right to vote at the Annual General Meeting 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).

The Bank has approached NSDL for providing remote e-voting services through e-voting platform. In this regard, your Demat Account/Folio Number has been enrolled by the Bank for your participation in remote e-voting on resolutions placed by the Bank on remote e-Voting system.

The Notice of the Annual General Meeting of the Bank inter alia indicating the process and manner of remote e-Voting process along with printed Attendance Slip and Proxy Form can be downloaded from the link https://www.evoting.nsdl.com or link https://www.aubank.in

24. The remote e-voting period commences on Friday, 3rd August, 2018 (9:00 am) and ends on Monday, 6th August, 2018 (5:00 pm). During this period, shareholders of the Bank, holding shares either in physical form or in dematerialized form, as on the cut-off date of Tuesday, 31st July, 2018, 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.

25. 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, 31st July, 2018.

**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?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. 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.

4. Your User ID details are given below:

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID<br>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<br>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<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Your password details are given below:

a) If you are already registered for e-Voting, then you can user 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 enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

   (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

   (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

a) Click on **"Forgot User Details/Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

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

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

1. 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.

2. 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.

3. Select **"EVEN NO. 108619"** of Bank for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. 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.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cs.vmanda@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or contact Ms. Pallavi Mhatre, Assistant Manager, National Securities Depository Ltd., Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email address: pallavid@nsdl.co.in/evoting@nsdl.co.in or at telephone no. +91 22 2499 4545 who will also address the grievances connected with the voting by electronic means. Members may also write to the Company Secretary at the email address: investorrelations@aubank.in or contact at telephone no. 0141-4110060/61.

**Voting at AGM:**

The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of polling paper for all those members who are present at the General Meeting but have not cast their votes by availing the remote e-voting facility.

26. **Please note the following:**

    A member may participate in the Annual General Meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the General Meeting.

    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, 31th July, 2018, only shall be entitled to avail the facility of remote e-voting as well as voting at the Annual General Meeting through ballot paper.

27. The Board of Directors have appointed Mr. Manoj Maheshwari, Practicing Company Secretary (Membership No. FCS: 3355), as the Scrutinizer to scrutinize the polling and remote e-voting process in a fair and transparent manner.

28. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Bank and shall make, not later than 48 hours of the conclusion of the Annual General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

29. The results of voting will be declared and the same along with the Scrutinizers Report will be published on the website of the Bank (www.aubank.in) and the website of NSDL (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 Annual General Meeting.

30. **Other information:**

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. 31st July, 2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or contact Bank's Registrar & Transfer Agent.

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 or contact NSDL at the toll free no.: 1800-222-990.

You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

31. The route map of the venue of the Meeting is given in the Notice.

**BY THE ORDER OF THE BOARD OF DIRECTORS**
**FOR AU SMALL FINANCE BANK LIMITED**

**Sd/-**
**MANMOHAN PARNAMI**
**COMPANY SECRETARY**
**A16586**

**PLACE: JAIPUR**
**DATE: 26th April, 2018**

# 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 Businesses mentioned in the above Notice:

## ITEM NO. 5

Mr. Raj Vikash Verma was appointed as an Additional Director with effect from January 30, 2018, in terms of Section 161 (1) of the Companies Act, 2013, in the category of 'Non-Executive Independent Director'. In terms of the aforesaid section of the Companies Act, 2013, an Additional Director shall hold office upto the date of the next Annual General Meeting and be eligible for appointment as director at ensuing Annual General Meeting in terms of Section 160 and 161 of the Companies Act, 2013.

"The Bank has received a notice in writing from a member under Section 160 of the Act proposing the candidature for Mr. Raj Vikash Verma as an Independent Director of the Bank who has given a declaration to the effect that he meets the criteria of independence as provided under Section 149(6) of the act and regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and consent to act as Director has also been received along with a declaration under Section 164(2) of the Companies Act, 2013 read with the rules made there under, confirming he is not disqualified to be reappointed as a Director of the Bank.

The Board is of the opinion that his continued association with the Bank would be beneficial to the Bank. Further, in the opinion of the Board, Mr. Raj Vikash Verma fulfills the conditions for independence as specified under Section 149 and schedule IV of the Companies Act,2013 and the Rules made there under and he Is independent of the management. He also complies with the 'fit and proper' criteria laid down under Banking Regulation Act, 1949.

He has a vast experience of over 27 years in Financial Services, Housing & Mortgage Finance and Real Estate sector.

In order to ensure compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Rules made thereunder and Schedule IV of the Act, approval of the shareholders be and is hereby requested for the appointment of Mr. Raj Vikash Verma as an Independent Director for a period of three year commencing from 30th January 2018.

No Director other than Mr. Raj Vikash Verma himself or any of the Key Managerial Personnel of the Bank or their relatives are, directly or indirectly, concerned or interested in the Resolution set out at Item No. 5. Further, Mr. Raj Vikash Verma is not related to any other Director or Key Managerial Personnel of the Bank.

The Board of Directors recommends the passing of the Ordinary Resolution as set out in Item No. 5 of the Notice.

## ITEM NO. 6

Mr. Mannil Venugopalan was appointed as the Non-Executive (Part-Time) Chairman of the Bank with effect from 19th April,2017 vide RBI Letter bearing Ref. No. DBR. Appt.No.12183/29.44.003/2016-17 dated 13th April 2017 up to a period ending 29th March 2020.

AU SMALL FINANCE BANK LIMITED started its banking operations post conversion from NBFC model, Mr. Mannil Venugopalan has contributed immensely as Chairman of the Board. He has introduced significant measures to enhance standards of governance at the Bank. He brings to the Board his rich experience and insights on working of committees and Board.

The Bank has benefitted immensely from his leadership and guidance. In view of this, the Nomination and Remuneration Committee of the Board, at its meeting held on 25th April, 2018, reviewed the compensation (profit linked commission), of Mr. Mannil Venugopalan as the Chairman of the Bank and recommended a revision in his compensation (profit linked commission), for the approval of the Board. Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Bank at its meeting held on 26th April 2018, approved the revision in the compensation (profit linked commission) payable to Mr. Mannil Venugopalan as the Chairman of the Bank, subject to the approval of the Shareholders of the Bank and the Reserve Bank of India.

The brief profile of Mr. Mannil Venugopalan, in terms of the Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, New Delhi, has been provided as annexure to the Notice. Mr. Mannil Venugopalan does not hold any equity shares of the Bank.

No Director other than Mr. Mannil Venugopalan himself or any of the Key Managerial Personnel of the Bank or their relatives are, directly or indirectly, concerned or interested in the Resolution set out at Item No. 6. Further, Mr. Mannil Venugopalan is not related to any other Director or Key Managerial Personnel of the Bank.

The Board of Directors recommends the passing of the Ordinary Resolution as set out in Item No. 6 of the Notice.

## ITEM NO. 7

During the year ended 31st March 2018, under the leadership of Mr. Sanjay Agarwal, Managing Director & CEO, the Bank has achieved all-round progress in terms of business growth and profitability of the Bank.

In a competitive and dynamically changing banking scenario, it is critical for the Bank to leverage on his expertise, knowledge and experience. He is responsible for overall strategic planning and provide guidance to the executive management team of the Bank and Head of Departments (HODS) of Treasury, Risk, Audit, Liability, Operations & Technology, Digital Analytics, HR and Distributions reports to him.

In view of above, the Nomination and Remuneration Committee, at its meeting held on 25th April 2018, reviewed the remuneration being paid to Mr. Sanjay Agarwal as the Managing Director & CEO of the Bank and recommended a revision in his remuneration, for the approval of the Board. Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Bank at its meeting held on 26th April 2018 approved the revision in the remuneration by way of salary, allowances and perquisites payable to Mr. Sanjay Agarwal as the Managing Director & CEO of the Bank, subject to the approval of the Shareholders of the Bank and the Reserve Bank of India.

The brief profile of Mr. Sanjay Agarwal, in terms of the Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, New Delhi, has been provided as annexure to the Notice.

No Director and Key Managerial Personnel of the Bank other than Mr. Sanjay Agarwal himself or any of their relatives are, directly or indirectly, concerned or interested in the Resolution set out at Item No. 7 except to the extent of their shareholding in the Bank.

Further, Mr. Sanjay Agarwal is not related to any other Director or Key Managerial Personnel of the Bank.

The Board of Directors recommends the passing of the Ordinary Resolution as set out in Item No. 7 of the Notice.

## ITEM NO. 8

During the year ended 31st March 2018, under the leadership of Mr. Uttam Tibrewal, Whole Time Director the Bank has shown growth in revenue and profits. Mr. Uttam Tibrewal has demonstrated his ability to take up higher responsibilities and presently, all retail assets verticals report to him. His dynamic vision, strategic focus, and entrepreneurial skills continue to guide the growth of the Bank's businesses.

In light of the above, the Nomination and Remuneration Committee at its meeting held on 25th April 2018 reviewed the remuneration being paid to Mr. Uttam Tibrewal as the Whole-time Director of the Bank and recommended a revision in his remuneration, for the approval of the Board. Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Bank at its meeting held on 26th April 2018 , approved the revision in the remuneration by way of salary, allowance and perquisites payable to Mr. Uttam Tibrewal as the Whole-time Director of the Bank subject to the approval of the Shareholders of the Bank and the Reserve Bank of India.

The brief profile of Mr. Uttam Tibrewal, in terms of the Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, New Delhi, has been provided as annexure to this Notice.

No Director and Key Managerial Personnel of the Bank other than Mr. Uttam Tibrewal himself or any of their relatives are, directly or indirectly, financially or otherwise, concerned or interested in the Resolution set out at Item No. 8. except to the extent of their shareholding in the Bank.

Further, Mr. Uttam Tibrewal is not related to any other Director or Key Managerial Personnel of the Bank.

The Board of Directors recommends the passing of the Ordinary Resolution at Item No. 8 of the Notice to the members of the Bank.

## ITEM NO. 9

The Board of Directors of the Bank envisages requirement of funds in future. As per the provisions of Section 180(1)(c) of the Companies Act, 2013, the Board can borrow money subject to the condition that the money to be borrowed together with the monies already borrowed by the Bank (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed the aggregate, for the time being, of the paid-up share capital, free reserves and securities premium of the bank, that is to say, reserves not set apart for any specific purpose unless the Shareholders have authorized the Board to borrow the monies up to some higher limits.

In terms of good asset financing led growth in FY 2017-18 and projected financing needs for FY 2018-19, Bank will be required to borrow funds for its business needs.

Hence, it is proposed to empower and authorize the Board of Directors of the Bank to borrow money from any Financial Institutions (FIs), Foreign Institutional Institutions (FII's), Bodies Corporate or Business Associates or any other person or entity etc., in excess of paid up capital, free reserves & Securities premium of the Bank up to a sum not exceeding ₹ 22,000 Crore (Rupees Twenty-Two Thousand Crores Only) for the purpose of business activities of the Bank.

None of the Director or 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. 9

The Board of Directors recommends the passing of the Special Resolution as set out in Item No. 9 of the Notice.

### Item No. 10

Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 provides that a company can issue securities including non-convertible debentures (NCDs) 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 company, 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.

Keeping in view the Bank's projections in domestic operations, the Bank may need to raise additional funds in one or more tranches in Indian as well as overseas market to maintain the desired capital to risk weighted assets ratio (CRAR) and to meet the funds requirements by issue of debt securities denominated in Indian rupees or any other permitted foreign currency (including but not limited to long term bonds, green bonds, non-convertible debentures, perpetual debt instruments and Tier II Capital 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, 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 26th April 2018 has proposed to obtain the consent of the Shareholders of the Bank for borrowing/ raising funds in Indian currency/ foreign currency by issue of debt 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 (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 debt securities would be issued by the Bank in accordance with the applicable statutory guidelines, for cash either at par or premium or at a discount 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. 10.

The Board of Directors recommends the passing of the Special Resolution at Item No. 10 of the Notice to the members of the Bank.

### Item No. 11

The purpose of the "**AU SMALL FINANCE BANK LIMITED-Employees Stock Option Scheme 2018"** is to attract and retain the personnel on positions of substantial responsibility and to provide additional incentive to Employees for creation of long term wealth.

It is proposed that the Bank should adopt a new scheme under SEBI (Share Based Employee Benefits) Regulations, 2014, under the name and style of **"AU SMALL FINANCE BANK LIMITED - Employees Stock Option Scheme 2018"**.

For the purposes of granting options to the Employees of the Bank, the Resolution contained at Item No. 11 seek to obtain the members' approval to authorize the Board of Directors of the Bank (hereinafter referred to as **"the Board"**, which term shall include the Nomination and Remuneration Committee or any other Committee of the Bank constituted by the Board to exercise its powers in relation hereto, including the powers conferred by this Resolution and/or such other persons who may be authorized by the Board or the Nomination and Remuneration Committee in this regard), to create, issue, offer and allot equity shares, from time to time, to employees of the Bank.

A copy of the proposed AU ESOP Scheme 2018 will also be available for inspection at the Registered Office of the Bank during the normal business hours between 10:00 a.m. to 05:00 p.m. on all working days up to the date of this Annual General Meeting. As per Regulation 6 and Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations 2014, the key details of the aforesaid Schemes are set out below.

Bank formulated scheme referred to as **"AU SMALL FINANCE BANK LIMITED -Employee Stock Option Scheme 2018" (AU ESOP Scheme –2018)** with the aggregate no. of shares underlying the stock option scheme for 49,33,200 (Forty Nine Lakhs Thirty Three Thousand Two Hundred) equity shares of ₹10/- each, the details of which are as under:

The main features of **AU SMALL FINANCE BANK LIMITED EMPLOYEE STOCK OPTION SCHEME 2018 (AU ESOP Scheme –2018)** are as under:

1. **TOTAL NUMBER OF STOCK OPTIONS TO BE GRANTED:**

The Options underlying the grant under the scheme shall not exceed 49,33,200 (or such other adjusted figure for any stock splits or consolidations or bonus or other re-organization of the capital structure of the Bank, as may be applicable from time to time) convertible into one Equity Share of having face value of ₹10 each for one option.

| Heading | No. of Employee stock options (Options with Equal nos. of Equity shares with Face Value of ₹ 10 each) | Exercise Price in ₹ Per Option with Equal no. of Equity share |
|---|---|---|
| AU SMALL FINANCE BANK LIMITED - Employee Stock Option Scheme 2018" (AU ESOP Scheme –2018) | 49,33,200 | Exercise Price shall be as determined by Nomination & Remuneration Committee and It shall in compliance of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 |

2. **IDENTIFICATION OF CLASSES OF EMPLOYEES ENTITLED TO PARTICIPATE IN THE EMPLOYEE STOCK OPTION SCHEME(S):**

The AU EMPLOYEE STOCK OPTION SCHEME 2018 shall extend to employees of the Bank as may be determined by the Nomination and Remuneration Committee. The scheme shall also be extended to new recruits of the Bank, as may be determined by Nomination and Remuneration Committee from time to time.

3. **NOMINATION AND REMUNERATION COMMITTEE (COMPENSATION COMMITTEE)**

The Nomination & Remuneration Committee of the Board constituted by the Bank pursuant to the provisions of Section 178 of the Companies Act, 2013 is also referred as the 'Compensation Committee' for the administration and superintendence of the ESOP Scheme 2018.

4. **THE APPRAISAL PROCESS FOR DETERMINING THE ELIGIBILITY OF EMPLOYEES TO THE EMPLOYEES STOCK OPTION SCHEME:**

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 and their contribution and proposed role in the Bank.

5. **REQUIREMENTS FOR VESTING, PERIOD OF VESTING ETC.:**

The continuation of employee in the services of the Bank shall be the primary requirement of the vesting. The grant of options shall be made as per the AU EMPLOYEE STOCK OPTION SCHEME 2018 as placed at the meeting.

The vesting of an option would also be subject to the terms and conditions as may be stipulated by the Nomination and Remuneration Committee from time to time including but not limited to satisfactory performance of the employees, their continued employment with the Bank. The vesting period shall commence any time after the expiry of one year from the date of the grant of the options to the employee and could extend up to six years from the date of the grant of the options. The options could vest in tranches. The number of stock options and terms of the same as made available to employees could vary at the discretion of the Nomination and Remuneration Committee as it may deem fit subject to Shareholder's approval, from time to time, in its sole and absolute discretion

6. **EXERCISE PRICE OR PRICING FORMULA:**

The exercise price for AU EMPLOYEE STOCK OPTION SCHEME 2018 shall be determined by the Nomination & Remuneration Committee and it shall be in compliance of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, with per option convertible into equivalent no. of equity shares.

7. **EXERCISE PERIOD AND THE PROCESS OF EXERCISE:**

The exercise period shall be within 6 years from the date of 1st Vesting date and employees shall be required to submit their exercise notice to the Bank for exercising their options and post which unexercised options shall lapse.

8. **MAXIMUM PERIOD WITHIN WHICH THE OPTIONS SHALL BE VESTED**

Please refer point no. 5 dealing with requirements for vesting and as may be decided by Nomination and Remuneration Committee for option grants from time to time.

**9. MAXIMUM NUMBER OF OPTIONS TO BE GRANTED PER EMPLOYEE AND IN AGGREGATE:**

Maximum number of options to be granted to an eligible employee will be determined by the Nomination and Remuneration Committee in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 subject to the condition that in case of grant of ESOPs to identified employees is in equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) Bank then approval of shareholders shall be obtained.

**10. METHOD OF OPTION VALUATION:**

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 and also the impact of this difference on profits and on Earnings Per Share (EPS) of the Bank shall also be disclosed in the Board's Report.

**11. CONDITIONS UNDER WHICH OPTION VESTED IN EMPLOYEES MAY LAPSE:**

The conditions, circumstances under which options vested in an employee may lapse including termination from employment for misconduct or other reasons shall be decided by the Nomination and Remuneration Committee, more particularly elaborated under the AU ESOP Scheme – 2018.

**12. THE SPECIFIED TIME PERIOD WITHIN WHICH THE EMPLOYEE SHALL EXERCISE THE VESTED OPTIONS IN THE EVENT OF A PROPOSED TERMINATION OF EMPLOYMENT OR RESIGNATION OF EMPLOYEE:**

i) Termination by the Bank

In the event the Bank terminates the employment of an Employee:

a) for Cause, all Options, whether Vested or not (i.e. both vested and unvested Options), shall lapse.

b) Without Cause, all Options that have not vested in such employee shall lapse. All Vested Options shall continue to vest in the employee and shall be exercisable in accordance with the terms hereof provided however that the Employee shall be required to Exercise all his/her Vested Option within thirty (30) days of the date of his/her resignation or before relieving of employee, whichever is earlier, failing which the Options exercisable shall lapse.

ii) Resignation by the Employee

In the event of resignation by the Employee, all Options that have not vested in such Employee shall lapse. All Vested Options shall continue to Vest in the Employee and shall be exercisable in accordance with the terms provided herein however that the Employee shall be required to Exercise all his/her Vested Option within thirty (30) days of the date of his/her resignation or before relieving of Employee, whichever is earlier, failing which the Options exercisable shall lapse.

**13. DISCLOSURE AND ACCOUNTING POLICIES:**

The Bank shall 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.

**14. LOCK-IN PERIOD, IF ANY:**

Stock options allotted to the Employees under the **"AU ESOP Scheme 2018"** are freely tradeable and will not be subject to lock-in.

None of the Director or any of the Key Managerial Personnel of the Bank or their relatives are, directly or indirectly, concerned or interested in the Resolution as set out in Item No. 11 except to the extent of shareholding in the Bank.

The Board of Directors recommends the passing of the Special Resolution as set out in Item No. 11 of the Notice.

**A copy of the existing Memorandum and Articles of Association of the Company, will be available for inspection by the Members at the Registered Office of the Company on all working days during normal business hours from 10 AM to 5 PM, up to the date of Annual General Meeting.**

**BY THE ORDER OF THE BOARD OF DIRECTORS**
**FOR AU SMALL FINANCE BANK LIMITED**

**Sd/-**
**MANMOHAN PARNAMI**
**COMPANY SECRETARY**
**A16586**

**PLACE: JAIPUR**
**DATE: 26th April, 2018**

**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 – 2 ON GENERAL MEETINGS (SS-2) ISSUED BY THE INSTITUTE OF THE COMPANY SECRETARIES OF INDIA, NEW DELHI.**

## Annexure to item number 5:
## Mr. Raj Vikash Verma

| | |
|---|---|
| Age | 63 Years |
| Date of first appointment on Board | 30th January, 2018 |
| Qualification | Mr. Raj Vikash Verma holds Master Degree in Economics and Certified Associate of the Indian Institute of Bankers (CAIIB). |
| Brief Resume including experience | Mr. Raj Vikash Verma is the Additional Director (Independent) of our Bank. He is a passionate leader, great administrator and possesses vast knowledge and experience in the field of Housing & Mortgaged Finance and Real Estate Sector.<br><br>He chaired various Board and held the position of Chairman and Managing Director of National Housing Board (NHB), CERSAI. He also served at Reserve Bank of India and member of Advisory Committee of Insolvency and Bankruptcy Board of India (IBBI).<br><br>He has over 35 years of experience in Housing, mortgage finance and real estate sector. |
| Nature of his expertise in specific functional areas | Mr. Verma has vast and rich experience in the financial services sector, particularly in the field of development finance and regulatory bodies, which includes vast experience in Housing, mortgage finance and real estate sector. |
| Other Directorship | • INDIA MORTGAGE GUARANTEE CORPORATION PRIVATE LIMITED<br>• BEE SECURE HOME FINANCE PRIVATE LIMITED<br>• ART AFFORDABLE HOUSING FINANCE (INDIA) LIMITED<br>• VISU LEASING AND FINANCE PRIVATE LIMITED |
| Chairmanship/Membership of Committees in other companies in which position of Director is held | Nil |
| Relationship with other Directors, Managers and other Key Managerial Personnel of the Bank | None |
| No. of equity shares held in the Bank | Nil |
| No. of board meetings attended during the year | Nil |
| Terms and conditions of appointment or re-appointment | Proposed Independent Director not liable to retire by rotation and post approval at AGM, he shall be director for a period of 3 years from date of appointment, i.e. 30th January, 2018. |
| Remuneration sought to be paid | Profit linked commission of ₹ 10,00,000 (Ten Lakhs only per annum) and sitting fees of ₹ 40,000/- for Board meeting and ₹ 20,000/- for every committee meeting attended |

## Annexure to item number 6:
## Mr. Mannil Venugopalan

| | |
|---|---|
| Age | 73 Years |
| Date of first appointment on Board | 27th August, 2011 |
| Qualification | Mr. Mannil Venugopalan holds Bachelor’s Degree in Commerce and Certified Associate of the Indian Institute of Bankers (CAIIB). |

| | |
|---|---|
| | Mr. Mannil Venugopalan is the Independent Director (Part-Time, Non-Executive Chairman) of our Bank. He was appointed w.e.f 27th August, 2011 as an Additional Director and was appointed as Non-Executive Director on 26th September, 2012. Subsequently, he was designated as an Independent Director on 30th May, 2013 and reappointed as an Independent Director on 30th March, 2015. Pursuant to the RBI approval dated April 13, 2017, his designation was approved as Independent Part-Time Non-Executive Chairman of our Bank.<br><br>Prior to joining with us, he was Managing Director & CEO of Federal Bank, Chairman & Managing Director of Bank of India, Executive Director of Union Bank of India.<br><br>He has over 48 years of experience in the field of Finance and Banking industry. |
| Nature of his expertise in specific functional areas | Mr. Venugopalan has experience and expertise in the Banking and financial services sector. |
| Other Directorship | • LICHFL ASSET MANAGEMENT COMPANY LIMITED<br>• SHREYAS SHIPPING AND LOGISTICS LIMITED<br>• SHAOLIN TRUSTEESHIP PRIVATE LIMITED<br>• SHRI KAILASH LOGISTICS (CHENNAI) LIMITED<br>• DEWAN HOUSING FINANCE CORPORATION LIMITED<br>• L&T FINANCE LIMITED (FORMERLY KNOWN AS FAMILY CREDIT LIMITED)<br>• SHIVALIK AGRO POLY PRODUCTS LIMITED<br>• IL & FS ENVIRONMENTAL INFRASTRUCTURE AND SERVICES LIMITED<br>• DHFL ADVISORY & INVESTMENTS PRIVATE LIMITED |
| Chairmanship/Membership of Committees in other companies in which position of Director is held | **1. Dewan Housing Finance Corporation Limited**<br>Chairman- Audit Committee<br>Member- Risk Management Committee<br><br>**2. Shreyas Shipping and Logistics Limited**<br>Member- Audit Committee<br><br>**3. IL & FS Environmental Infrastructure and Services Ltd.**<br>Member- Audit Committee<br>Member- Nomination & Remuneration Committee<br>Member- Corporate Social Responsibility Committee<br><br>**4. LICHFL Asset Management Company Limited**<br>Member- Audit Committee<br>Member- Corporate Social Responsibility Committee<br><br>**5. L&T Finance Limited**<br>Member- Risk Management Committee<br>Chairman- Nomination & Remuneration Committee<br>Member- CSR Committee<br><br>**6. DHFL Advisory & Investments Private Limited**<br>Member- Audit Committee<br>Chairman- Nomination and Remuneration Committee |
| Relationship with other Directors, Managers and other Key Managerial Personnel of the Bank | None |
| No. of equity shares held in the Bank | Nil |
| No. of Board meetings attended during the year | 6 |
| Terms and conditions of appointment or re-appointment | Independent Part-Time Non-Executive Chairman, not liable to retire by rotation. |
| Compensation sought to be paid | **Compensation Sought to be Paid:** (Profit linked commission of ₹ 20,00,000 per annum) (Twenty Lakhs only) and sitting fees of ₹ 40,000/- for Board meeting and ₹ 20,000/- for every committee meeting attended<br><br>**Compensation Last Drawn:** compensation (Profit linked commission of ₹ 16,63,540 (Sixteen Lakh sixty-three thousand five hundred forty only) as approved by RBI and sitting fees of ₹ 40,000/- for Board meeting and ₹ 20,000/- for every committee meeting attended |

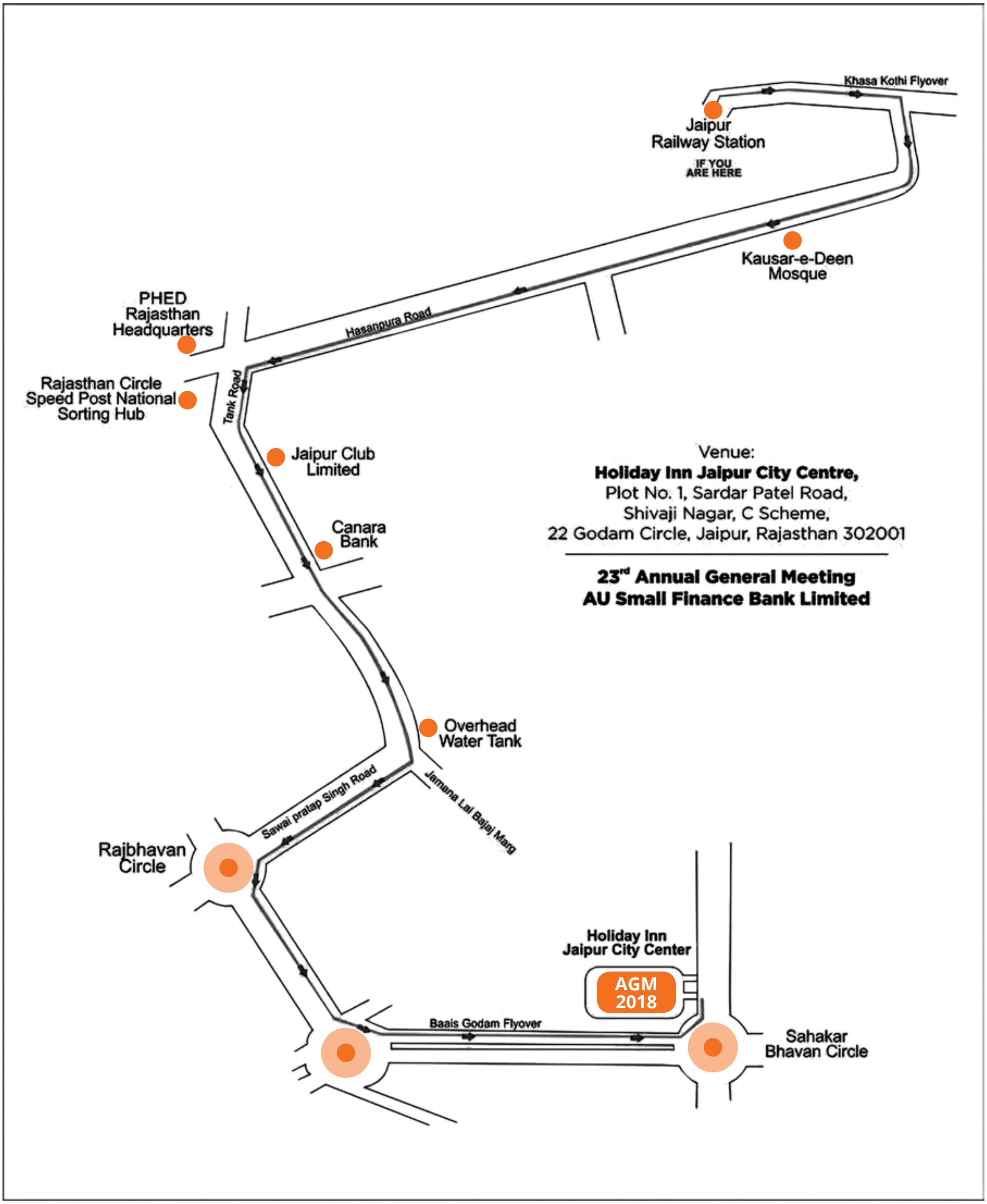
## Annexure to item number 7:
## Mr. Sanjay Agarwal

| | |
|---|---|
| Age | 47 Years |
| Date of first appointment on Board | 22nd January, 2003 |
| Brief Resume including experience | Mr. Sanjay Agarwal is the Managing Director & CEO of our Bank. He is Chartered Accountant and holds bachelor's degree in commerce from the Government College, Ajmer. He has been associated with our Bank since 10th January, 1996 and was first appointed as Managing Director on 14th February 2008. Subsequently, he was re-appointed as Managing Director on 14th February, 2013. Pursuant to the RBI approval dated April 13, 2017, his designation was approved as a Managing Director & CEO our Bank with effect from 19th April, 2017. He has over 22 years of experience in the Banking and Finance industry. |
| Nature of his expertise in specific functional areas | Mr. Agarwal has vast experience in field of Financial and Credit Risk Management and Strategic planning. |
| Other Directorship | Nil |
| Chairmanship/Membership of Committees in other companies in which position of Director is held | Nil |
| Relationship with other Directors, Managers and other Key Managerial Personnel of the Bank | None |
| No. of equity shares held in the Bank | 5,59,82,359 equity shares i.e. 19.59% of Paid up Share Capital. |
| No. of board meetings attended during the year | 7 |
| Terms and conditions of appointment or re-appointment | Executive Director liable to retire by rotation |
| Remuneration sought to be paid | **Remuneration details sought to be paid:** covered in Item No.7 of the Notice of Annual General Meeting and is subject to approval of Reserve Bank of India and members of the Bank.<br>**Remuneration last Drawn:** Basis Salary and allowances was ₹ 1.47 Crore p.a. and other Perquisites as approved by RBI vided its letter dated 13th July, 2017. |

## Annexure to item number 8:
## Mr. Uttam Tibrewal – Whole Time Director

| | |
|---|---|
| Age | 47 Years |
| Date of first appointment on Board | 22nd January, 2005 |
| Qualification | Mr. Uttam Tibrewal holds Bachelor's Degree in Commerce from Delhi University. |
| Brief Resume including experience | Mr. Uttam Tibrewal is the Whole Time Director of our Bank. He holds Bachelor's Degree in Commerce from Delhi University. He has been associated with our Bank since the year 2003 as head of Business Operations and was appointed as Whole Time Director on 14th February 2008. Subsequently, he was reappointed as Whole Time Director on 14th February, 2013.<br>Pursuant to the RBI approval dated April 13, 2017, his designation was approved as a Whole Time Director of our Bank with effect from 19th April 2017. He has over 21 years of experience in the Financial Sector. |
| Nature of his expertise in specific functional areas | Mr. Uttam Tibrewal has vast experience in the field financial services including financing to Small Business covering MSMEs & Retail loans. |
| Other Directorship | Nil |
| Chairmanship/Membership of Committees in other companies in which position of Director is held. | Nil |
| Relationship with other Directors, Managers and other Key Managerial Personnel of the Bank | None |
| No. of equity shares held in the Bank | 19,76,596 equity shares i.e. 0.69% of Paid up Share Capital. |
| No. of board meetings attended during the year | 7 |
| Remuneration sought to be paid | **Remuneration details sought to be paid:** Covered in Item No.8 of the Notice of Annual General Meeting and is subject to approval of Reserve Bank of India and members of the Bank.<br>**Remuneration Last Drawn:** Basis Salary and allowances was ₹ 1.28 Crore p.a. and other Perquisites as approved by RBI vided its letter dated 13th July, 2017. |

## Route Map of the Venue for Annual General Meeting to be held on Tuesday, 7th August, 2018 at 3.30 pm



# ATTENDANCE SLIP

**AU SMALL FINANCE BANK LIMITED**

(Formerly known as AU Financiers (India) Limited)

**CIN: L36911RJ1996PLC011381**

**Registered Office: 19 - A, Dhuleshwar Garden, Ajmer Road, Jaipur - 302001, Rajasthan**

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I hereby record my presence at the 23rd ANNUAL GENERAL MEETING of AU SMALL FINANCE BANK LIMITED (Erstwhile AU FINANCIERS (INDIA) LIMITED) on Tuesday, 7th August 2018 at 03: 30 PM at Chancellor Hall, Hotel Holiday Inn, Sardar Patel Marg, 22 Godam Circle, C –Scheme, Jaipur – 302001.

Folio No........................................... DP ID.............................................Client ID..................................................................................

Name of Member...............................................................................................................................................................

Name of Proxy Holder........................................................................................................................................................

Number of Shares Held......................................................................................................................................................

**Signature of Member/Proxy**

Notes: Members/Proxy holders are requested to produce the attendance slip duly signed for admission to the Meeting hall. Members are requested to bring the copy of annual report for their reference.

**Form No. MGT-11**

# PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**CIN: L36911RJ1996PLC011381**

**Name of the Bank: AU SMALL FINANCE BANK LIMITED**

**Registered office: 19 – A, Dhuleshwar Garden, Ajmer Road, Jaipur - 302001, Rajasthan**

**Website: www.aubank.in | E-mail: investorrelations@aubank.in**

Name of the member(s): ........................................................................................................................................

Registered Address: ..............................................................................................................................................

E-mail Id: ..............................................................................................................................................................

Folio No/Client Id: ................................................................................................................................................

DP ID: ....................................................................................................................................................................

I/We, being the member(s) of AU SMALL FINANCE BANK LIMITED, holding ________ shares of the above-named Bank, hereby appoint

1. Name: .............................................................................Address: ........................................................................
E-mail ID: ..........................................................................Signature...........................................................or failing him
2. Name: .............................................................................Address: ........................................................................
E-mail ID: ..........................................................................Signature...........................................................or failing him
3. Name: .............................................................................Address: ........................................................................
E-mail ID: ..........................................................................Signature............................................................................

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the Bank, to be held on Tuesday, 7th August, 2018 at 03:30 PM at Chancellor Hall, Hotel Holiday Inn, Sardar Patel Marg, 22 Godam Circle, C –Scheme, Jaipur – 302001 and/or at any adjournment thereof in respect of such resolutions as indicated below:

| S. No. | Resolution | For | Against |
|---|---|---|---|
| 1. | To consider and adopt the Audited Financial Statements of the Bank for the Financial Year ended 31st March, 2018 and the reports of the Board of Directors and the Auditors thereon | | |
| 2. | To declare dividend on equity shares for the financial year ended 31st March 2018. | | |
| 3. | 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. | | |
| 4. | To ratify the appointment of M/S S.R. BATLIBOI & ASSOCIATES LLP, Chartered Accountants (Registration No. 101049W/E300004) as the Statutory Auditors of the Bank. | | |
| 5. | To appoint Mr. Raj Vikash Verma (DIN: 03546341), as an Independent Director | | |
| 6. | To revise the compensation (Profit Linked Commission) payable to Mr. Mannil Venugopalan (DIN:00255575) as the Non-Executive (Part-Time) Chairman | | |
| 7. | To revise the remuneration payable to Mr. Sanjay Agarwal (DIN 00009526) as the Managing Director & CEO | | |
| 8. | To revise the remuneration payable to Mr. Uttam Tibrewal (DIN: 01024940) as the Whole time Director. | | |
| 9. | To authorize board to borrow money in excess of paid up capital, free reserves and securities premium of the bank u/s 180(1)(c) of the companies act, 2013 | | |
| 10. | To approve issuance of bonds/ other permissible instruments, in one or more tranches | | |
| 11. | To approve AU Small Finance Bank Limited - Employee Stock Option Scheme 2018. | | |

Signed this_______ day of______________2018

Signature of shareholder

Signature of Proxy Holder(s)

Affix
₹1/-
Revenue

## Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Bank addressed to the “Company Secretary”, not later than 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Bank. Further, a Member holding more than ten percent of the total share capital of the Bank carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.

**It is optional to put a (√) in the appropriate column against the Resolutions indicated in the Box. If you leave the ‘For’ or ‘Against’ column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.**