

IRC: F48:34:238:2018

26.03.2018

The Manager,
National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor,
Plot No. C/1, 'G' Block,
Bandra- Kurla Complex,
Bandra (East)
Mumbai 400 051

Sir/Madam,

Sub: Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 --- Notice of Postal Ballot and Postal Ballot Form.

In Continuation to our intimation IRC: F-48:25:174:2018 dated March 02, 2018 and in terms of Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of the postal ballot notice and form for seeking approval of the shareholders of the Bank for Karur Vysya Bank Employees' Stock Option Scheme 2018(KVB ESOS- 2018) as a special resolution through postal ballot process.

The Bank has engaged the services of NSDL for the purpose of providing e-voting facility to all its members. The voting/e-voting period commences on Monday, March 26, 2018 (10.00 A.M.) and ends on Tuesday, April 24, 2018 (5:00 P.M.).

Please take on record of the same.

Yours faithfully,



Srinivasarao M
Company Secretary

Encl: as above

THE KARUR VYSYA BANK LIMITED
Investor Relations Cell, Registered & Central Office,
Erode Road, KARUR - 639 002.
☎ : 04324-269440-44, Fax : 225700
E.mail : kvbshares@kvbmail.com
Website : www.kvb.co.in
CIN : L65110TN1916PLC001295

NOTICE OF POSTAL BALLOT

[Pursuant to Section 110 of the Companies Act, 2013, read with the Companies
(Management and Administration) Rules, 2014]

To

The Members of The Karur Vysya Bank Limited,

Notice is hereby given that, pursuant to Section 110 of the Companies Act, 2013 ('the Act') read with Rule 22 of the Companies (Management and Administration) Rules, 2014 ('the Rules'), including any statutory modification(s) or re-enactment thereof, for the time being in force, and other applicable laws, if any and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended and other applicable laws and regulations, if any, that the Bank is seeking approval from the Members of the Bank for Karur Vysya Bank Employees' Stock Option Scheme, 2018 (KVB-ESOS-2018), to be passed through Postal Ballot process which includes voting by electronic means (e-Voting).

The Board of Directors ('Board') in compliance with Rule 22(5) of the Companies (Management and Administration) Rules, 2014 has appointed Shri CS S Solaiyappan, Practicing Company Secretary, as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

Members desiring to exercise their vote by Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the same duly completed in the enclosed self-addressed Business Reply Envelope. The consent must be accorded by recording the assent in the Column "FOR" or dissent in the Column "AGAINST" by placing a tick mark (✓) in the appropriate column. The postage will be borne by the Bank. However, envelopes containing postal ballots, if sent by courier or registered/speed post at the expense of the Members will also be accepted. The postal ballot form(s) may also be deposited in person at the address given in the business reply envelope. The duly completed Postal Ballot Form(s) should reach the Scrutinizer not later than 05.00 p.m. on Tuesday, April 24, 2018, to be eligible for being considered, failing which, it will be considered that no reply from the Member has been received. Please note that any Postal Ballot form(s) received after the said date will be treated as invalid. No other form or photocopy thereof is permitted.

Members desiring to opt for e-Voting are requested to read the instructions in the Notes under the section "e-Voting". The e-Voting facility is available at the link: <https://www.evoting.nsdl.com> from 10.00 a.m. onwards on Monday, March 26, 2018 till Tuesday, April 24, 2018 up to 05.00 p.m.

The Scrutinizer will submit his report to the Chairman or any other Director of the Bank after completion of scrutiny, and the result of the voting by postal ballot (including e-Voting) will be announced by the Chairman or any other Director of the Bank duly authorized on or before Thursday, April 26, 2018 by 05.00 p.m. at the Registered Office of the Bank and will also be displayed on the website of the Bank at www.kvb.co.in and www.evoting.nsdl.com besides being communicated to the Stock Exchanges i.e., National Stock Exchange of India Limited where our Bank shares are listed and also at BSE limited where our Bank shares are traded under permitted category.

SPECIAL BUSINESS

To consider and if thought fit, to give assent or dissent to the following resolution to be passed as a **Special Resolution** through Postal Ballot/e-Voting.

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under, the provisions of Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and relevant provisions of Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 issued by the Securities and Exchange Board of India (collectively referred to as "SEBI SBEB Regulations"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the relevant provisions of the Memorandum and Articles of Association of the Bank and subject to further such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Members' of the Bank be and is hereby accorded to the introduction and implementation of '**Karur Vysya Bank Employees Stock Option Scheme 2018**' ("**KVB-ESOS-2018**")/ ("**Scheme**") and authorizing the Board of Directors of the Bank (*hereinafter*

referred to as the "Board" which term shall be deemed to include the Nomination and Remuneration Committee which the Board has constituted to exercise its powers under Regulation 5 of SEBI SBEB Regulations including the powers, conferred under this resolution) to create, and grant from time to time, in one or more tranches, not exceeding **72,00,000 (Seventy Two Lakh)** employee stock options to such person(s) who are in permanent employment of the Bank within the meaning of KVB-ESOS-2018, including any whole-time/ executive director (other than Promoters of the Bank, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Bank), as may be decided under KVB-ESOS-2018, exercisable into not more than **72,00,000 (Seventy Two Lakh)** equity shares of face value of ₹ 2/- (Rupees Two) each fully paid-up, where one employee stock option would convert in to one equity share upon exercise, on such terms and in such manner as the Board / Committee may decide in accordance with the provisions of the applicable laws and the provisions of KVB-ESOS-2018".

"RESOLVED FURTHER THAT the equity shares so issued and allotted as mentioned herein before shall rank paripassu with the then existing equity shares of the Bank."

"RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are issued by the Bank to the option grantees for the purpose of making a fair and reasonable adjustment to the employee stock options granted earlier, the ceiling in terms specified above shall be deemed to be increased to the extent of such additional equity shares issued."

"RESOLVED FURTHER THAT in case the equity shares of the Bank are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the KVB-ESOS-2018 shall automatically stand reduced or augmented, as the case may be, in the same proportion as the present face value of ₹ 2/- per equity share shall bear to the revised face value of the equity shares of the Bank after such sub-division or consolidation, without affecting any other rights or obligations of the said grantees."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to take requisite steps for listing of the equity shares allotted under KVB-ESOS-2018 on the stock exchanges where the equity shares of the Bank are listed in due compliance with SEBI SBEB Regulations and other applicable laws."

"RESOLVED FURTHER THAT the Bank shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the KVB-ESOS-2018."

"RESOLVED FURTHER THAT the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the KVB-ESOS-2018 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the KVB-ESOS-2018 and do all other things incidental and ancillary thereof in conformity with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Bank, SEBI SBEB Regulations and any other applicable laws in force."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorizing or directing to appoint merchant bankers, brokers, solicitors, registrars, compliance officer, investors service centre & other advisors, consultants or representatives, being incidental thereto and to delegate all or any of its powers herein conferred, to the effective implementation and administration of KVB-ESOS-2018 as also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard."

Registered Office:
Erode Road, Karur
Place : Karur
Date : March 20, 2018

By Order of the Board
For The Karur Vysya Bank Limited
Srinivasa Rao M
Company Secretary

NOTES:

1. Explanatory Statement as required under Section 102 of the Companies Act, 2013 and SEBI (SBEB) Regulation, 2014 setting forth the material facts and reasons for the proposal is annexed to this Notice. A Postal Ballot Form is also enclosed.
2. Members whose names appear on the Register of Members/List of Beneficial Owners as on Wednesday, March 21, 2018 will be considered for the purpose of voting. Any person who is not a member as on the cut-off date shall treat this notice for information only. Hence, the Postal Ballot Notice is being sent to the Members whose names appear on the Register of Members/List of Beneficial Owners as received from the Depositories as on Wednesday, March 21, 2018, i.e., "the cut-off date". The Postal Ballot Notice is being sent to Members in electronic form to the email addresses registered with their Depository Participants (in case of shares held in electronic mode)/ M/s S.K.D.C. Consultants Limited, Coimbatore. For those shareholders whose email IDs are not registered, physical copies of the Postal Ballot Notice are being sent by permitted mode along with a postage prepaid self-addressed Business Reply Envelope.
3. A member may request for a duplicate Postal Ballot Form, if so required. All such requests should be addressed to the Registrar and Share Transfer Agent of the Bank M/s S.K.D.C. Consultants Limited, (Unit: The Karur Vysya Bank Limited), 3rd Floor, 1391/A-1, Kanapathy Towers, Sathy Road, Ganapathy, Coimbatore- 641006, Phone Nos. 0422-4958995, 2539835-836, Email: info@skdc-consultants.com
4. Resolution passed by the Members through postal ballot are deemed to have been passed as if they have been passed at a General Meeting of Members.
5. In compliance with Sections 108 of the Companies Act, 2013 and the Rules made thereunder, the Bank has provided the facility to the Members to exercise their votes electronically and vote on all the resolutions through e-Voting service facility arranged by NSDL. The instructions for electronic voting are annexed to this Notice.
6. All the material documents referred to in the statement pursuant to Section 102 of the Companies Act, 2013 and rules related thereto will be available for inspection at the Registered Office of the Bank during office hours on all working days from the date of dispatch of the Notice till Tuesday April 24, 2018 by 05.00 p.m.
7. The last date of receipt of duly completed Postal Ballot Form or e-Voting i.e., Tuesday April 24, 2018 up to 05.00 p.m. shall be the date on which the resolution would be deemed to have been passed, if approved by requisite majority.
8. The Notice of Postal Ballot along with the Postal Ballot Form will also be available on the website of the Bank www.kvb.co.in.
9. The Members can opt for only one mode of voting, i.e., either by Postal Ballot or e-Voting. In case Members cast their votes through both the modes, voting done by e-Voting shall prevail and votes cast through Postal Ballot Forms will be treated as invalid.
10. Incomplete, unsigned or incorrect, defaced or mutilated Postal Ballot Forms received by scrutinizer will be rejected. The Scrutinizer's decision on the validity of the Postal Ballot will be final and binding.

e-Voting procedure is 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 e-services i.e., IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services 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 For example if your DP ID is IN123*** and Client ID is 12***** then your user ID is IN123***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 Bank. For example if EVEN is 123456 and folio number is AO**** then user ID is 123456AO****

5. Your password details are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- 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.
- How to retrieve your "initial password"?
 - If your email ID is registered in your demat account or with the bank, your "initial password" is communicated to you on your email ID. Trace the email sent to you from NSDL in your mailbox. Open the email and open the attachment i.e., 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 (i.e., AO****) for shares held in physical form. The pdf file contains your "User ID" and your "initial password".
 - 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:

- 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.
- "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- 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 the "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/banks "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of "The Karur Vysya Bank Limited" 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 solaiofficeballot@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 send a request at evoting@nsdl.co.in

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., Wednesday, March 21, 2018

The e-Voting period commences from 10.00 a.m. on **Monday, March 26, 2018 till Tuesday, April 24, 2018** up to 05.00 p.m. The e-Voting module shall be disabled by NSDL for voting thereafter.

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 shall either be entitled to avail the facility of remote e-Voting or Physical Postal Ballot Form. In case Members cast their votes through both the modes, voting done through e-Voting shall prevail and votes casted through Postal Ballot Forms shall be treated as invalid.

For any queries/grievances, in relation to voting through Post or electronic means, Members may contact Registrar and Share Transfer Agent of the Bank M/s S.K.D.C. Consultants Limited, (Unit: The Karur Vysya Bank Limited), 3rd Floor, 1391/A-1, Kanapathy Towers, Sathy Road, Ganapathy, Coimbatore 641006, Phone Nos. 0422-4958995, 2539835-836, Email: info@skdc-consultants.com

Explanatory Statements under Section 102 of the Companies Act, 2013 read with Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

The KVB-ESOS-2018/ Scheme intends to enable the "Key Eligible Employees", present and future, to get a share in the value that they help to create for the organization over a certain period of time. The Bank strongly believes that an equity component in the compensation goes a long way in aligning the objectives of an individual with those of the Bank. The objectives of KVB-ESOS-2018 are, among others, to attract and retain critical senior talents with Employee Stock Options as a compensation tool. Through KVB-ESOS-2018, the Bank intends to offer an opportunity of sharing the value created with those Employees who have contributed or are expected, contribute to the growth and development of the Bank.

This new Scheme particularly focuses on coverage of key employees with a view to augment and maintain shareholders' value on a sustained basis. KVB ESOS 2018 scheme will be in addition to and not in subrogation of the existing KVB ESOS 2011. The proposed Scheme along with the existing scheme is expected to help the Board in rationalizing non-cash employee compensation/cost and promote the intended objectives over a couple of years with an endeavour to determine the grant, vest and other parameters including the exercise price envisaging such discount, in any financial year not exceeding 2% (Two Percentage) of the Profit Before Tax of the previous financial year in aggregate under both the schemes.

Accordingly, the Nomination and Remuneration Committee of the Directors and the Board of Directors of the Bank at their meetings have approved the introduction of KVB-ESOS-2018, subject to shareholders' approval.

In terms of Section 62(1)(b) of the Companies Act, 2013 read with Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), the Bank seeks your approval for implementation of the Scheme and grant of options thereunder to the eligible employees as decided from time to time as per provisions of the Scheme read with provisions of SEBI SBEB Regulations.

The main features of the KVB-ESOS-2018 are as under:

A. Brief Description of the Scheme:

Keeping in view the aforesaid objectives, the Scheme contemplates grant of options to the key eligible employees which deems to include whole-time/executive directors of the Bank. After vesting of options, the eligible employees shall earn a right (but not obligation) to exercise the vested options within the exercise period and obtain equity shares which the Bank shall issue subject to receipt of exercise price and satisfaction of tax obligation arising thereon. The intent of the Scheme is to reward grantees in line with growth in the shareholders' value.

The Nomination and Remuneration Committee ("Committee") of Directors shall act as Compensation Committee for the supervision and administration of KVB-ESOS-2018 under Regulation 5 of the SEBI SBEB Regulations. All questions of interpretation of the KVB-ESOS-2018 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in KVB-ESOS-2018.

B. Total number of Options to be granted:

The total number of options to be granted under the KVB-ESOS-2018 shall not exceed 72,00,000 (Seventy Two Lakh). Each option when exercised would be converted in to one equity share of ₹ 2/- (Two) each fully paid-up to be issued by the Bank.

Further, the SEBI SBEB Regulations require that in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division etc., a fair and reasonable adjustment needs to be made to the options granted. In this regard, the Committee shall adjust the number and exercise price of the options granted in such a manner that the total value of the options granted under the KVB-ESOS-2018 remains the same after any such corporate action. Accordingly, if any additional options are issued by the Bank to the option grantees for making such fair and reasonable adjustment, the aforesaid ceiling shall be deemed to increase to the extent of such additional options issued.

C. Identification of classes of employees entitled to participate in the KVB-ESOS-2018:

All the permanent key employees of the Bank shall be eligible to participate in KVB-ESOS-2018, subject to determination by the Nomination and Remuneration Committee. As it is intended to use the Scheme for achievement of the objectives namely attraction, retention, motivation and incentivization of key employees (including eligible whole-time/executive Directors), employees being of such designation/level i.e., Scale IV and above cadre be covered specifically, subject to their appraisal as per point number "H" below.

Provided however that the following persons shall not be eligible to participate in KVB-ESOS-2018:

- (i) an employee who is a Promoter or belongs to the Promoter Group;
- (ii) a director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the issued and subscribed Shares of the Bank; and

(iii) a director being an Independent Director.

D. Requirements of vesting and period of vesting:

The vesting percentages and dates in respect of the options granted under KVB-ESOS-2018 shall be determined by the Committee and may vary from an employee to employee or any class thereof depending upon the expectation from such employees or class thereof or upon the business needs of the Bank.

Options shall vest essentially based on continuation of employment as per requirement of SEBI SBEB Regulations. Apart from that the Nomination and Remuneration Committee may prescribe achievement of any performance condition(s) for vesting namely periodical performance appraisal or potential contribution towards strategic growth, contribution to team building and succession, cross-functional relationship, corporate governance or such other criteria or factor as may be deemed relevant from time to time.

All the options granted on any date shall vest not earlier than minimum of 1 (One) year and not later than a maximum of 3 (Three) years from the date of grant of options as may be determined by the Committee. The Committee may extend, shorten or otherwise vary the vesting period from time to time subject to these minimum and maximum vesting periods

E. Maximum period within which the Options shall be vested:

All the options granted on any date shall vest not later than a maximum of 3 (Three) years from the date of grant of options as stated above.

F. Exercise price or pricing formula:

The exercise price per option shall be, the prevailing Market Price of an equity share of the Bank as on date of grant of option, discount if any as determined by the Committee shall be subject to a maximum of 10% (Ten Percentage) thereof.

The Scheme seeks to reward the key employees with the quantum of options that shall go in line with the growth in the shareholders' value. Thus, with a view to provide a reasonable cushion against any volatility or otherwise to maintain attractiveness of the Scheme during the life of the options, a discount up to 10% from the Market Price as on date of grant is sought to be reserved.

The term "Market Price" shall have meaning as defined in the SEBI SBEB Regulation as the latest available closing price of equity shares of the Bank on the recognized stock exchange on which such equity shares are listed on the date immediately prior to the meeting of the Committee in which grant is made. If equity shares are listed on more than one stock exchange, then the closing price of such shares on the stock exchange having higher trading volume shall be considered as the Market Price.

G. Exercise period and the process of Exercise:

The exercise period would commence from the date of vesting and will expire on completion of maximum of 4 (Four) years from the date of respective vesting or such other shorter period as may be decided by the Committee from time to time.

The vested option shall be exercisable by the option grantees by a written application to the Bank expressing his/ her desire to exercise such options in such manner and on such format as may be prescribed by the Committee from time to time. Exercise of options shall be entertained only after payment of requisite exercise price and satisfaction of applicable taxes by the option grantee. The options shall lapse if not exercised within the specified exercise period.

H. Appraisal process for determining the eligibility of employees under the KVB-ESOS-2018:

The Nomination and Remuneration Committee shall invite recommendations of the management of the Bank, for identification of the employees who could be granted options based on the various criteria such as performance and/or the merit of the employees as indicated by the periodical performance appraisal or the minimum period of service put in by the employee/remaining future service or his/ her cadre and designation in the Bank or his/her present and potential contribution to the success of the Bank or the key functional areas in which the employee is involved or such other criteria or factors as may be deemed relevant and appropriate as may be decided by the Nomination and Remuneration Committee from time to time.

I. Maximum number of options to be issued per employee and in aggregate:

The maximum number of options that may be granted to any specific employee of the Bank and in aggregate under the KVB-ESOS-2018 shall not exceed 18,00,000 options per eligible employee at the time of grant under this Scheme.

J. Maximum quantum of benefits to be provided per employee under the KVB-ESOS-2018:

Apart from grant of options as stated above, no monetary benefits are contemplated under the KVB-ESOS-2018.

K. Whether the Scheme is to be implemented and administered directly or through a trust:

The KVB-ESOS-2018 shall be implemented and administered directly by the Bank.

L. Whether the Scheme involves new issue of shares or secondary acquisition or both:

The KVB-ESOS-2018 contemplates issue of fresh/primary shares by the Bank, upon exercise of options.

M. Amount of loan to be provided for implementation of the scheme(s) by the Bank to the trust, its tenure, utilization, repayment terms, etc:

This is currently not contemplated under the present KVB-ESOS-2018.

N. Maximum percentage of secondary acquisition:

This is not relevant under the present KVB-ESOS-2018.

O. Accounting and Disclosure Policies:

The Bank shall follow the Guidance Note on accounting for employee share based payments and/ or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein. In case, the existing Guidance Note or Accounting Standards do not prescribe accounting treatment or disclosure requirements, any other Accounting Standard that may be issued by ICAI or any other competent authority shall be adhered to in due compliance with the requirements of Regulation 15 of SEBI SBEB Regulations.

P. Method of Option valuation:

The Bank shall adopt 'fair value method' for valuation of options as prescribed under Guidance Note or under any Accounting Standard, as applicable, notified by appropriate authorities from time to time.

Q. Declaration

In case, the Bank 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 of the options and the impact of this difference on profits and on Earning Per Share (EPS) of the Bank shall also be disclosed in the Directors' Report.

Consent of the members is being sought by way of special resolution pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 6 of the SEBI SBEB Regulations.

A draft copy of the KVB-ESOS-2018 is available for inspection at the Bank's Registered Office during office hours on all working days till Tuesday, April 24, 2018 up to 05.00 p.m.

None of the Promoter Directors, Independent Directors and their relatives thereof are in any way, concerned or interested in this resolution except the Managing Director and Key Managerial Personnel of the Bank to the extent of stock options to be granted under the KVB-ESOS-2018.

In light of above, you are requested to accord your approval to the Special Resolution as set out at Agenda Item accompanying in the notice.

Registered Office:
Erode Road, Karur
Place : Karur
Date : March 20, 2018

By Order of the Board
For The Karur Vysya Bank Limited
Srinivasa Rao M
Company Secretary

POSTAL BALLOT FORM

(Please read the instructions printed overleaf carefully and return the form on or before Tuesday, April 24, 2018)

Name(s) and Registered Address of the sole/first named Shareholder / Beneficial Owner, including joint holder(s), if any (in block letters)

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I/We hereby exercise my/our vote in respect of the Resolution to be passed through Postal Ballot for the business stated in the Postal Ballot Notice of the Bank by conveying my/our assent or dissent to the said Resolution by placing the tick (✓) mark at the appropriate box below.

Item No.	Description	Type of Resolution (Ordinary/Special)	No. of Shares held	I/We assent to the resolution (FOR)	I/We dissent to the resolution (AGAINST)
1.	To approve the Karur Vysya Bank Employees' Stock Option Scheme, 2018 ("KVB-ESOS-2018")	Special			

Place :

Date :

Signature of Member
(Refer instructions No.3 & 4 overleaf)

ELECTRONIC VOTING PARTICULARS			
EVEN (Remote e-Voting Event Number)	USER ID	PASSWORD/PIN	
FOLIO No / DP / CLIENT ID		NO. OF SHARES HELD	

The e-Voting facility will be available during the following voting period:

Commencement of e-Voting	End of e-Voting
Monday, March 26, 2018 at 10.00 a.m.	Tuesday, April 24, 2018 at 05.00 p.m.

Please read the instructions printed below carefully before filling this form and for e-Voting please refer the instructions for voting through electronic means provided in the Postal Ballot Notice sent herewith.

INSTRUCTIONS FOR VOTING THROUGH POSTAL BALLOT FORM

1. A Member desiring to exercise his/her vote by Postal Ballot Form should complete this Postal Ballot Form, sign and send in the enclosed self-addressed postage pre-paid business reply envelope which bears the name of the Scrutinizer, appointed by the Board of Directors of the Bank so as to reach the Scrutinizer as per the instruction no: 5 at the address Shri CS S Solaiyappan, Scrutinizer, C/o M/s S.K.D.C. Consultants Limited, Unit: The Karur Vysya Bank Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore 641006. Postage will be borne and paid by the Bank. Envelopes containing Postal Ballot, if deposited in person or sent by courier or registered/speed post at the expenses of the Members will also be accepted.
2. The consent must be accorded by recording the assent in the column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark (✓) in the appropriate box in the Postal Ballot Form. A Member need not use all votes nor does need to cast votes in the same way.
3. The Postal Ballot Form should be completed and signed by the Members. In the case of joint shareholding, this form should be completed and signed by the first named Member and in his/her absence, by the next named Member(s). Incomplete and unsigned or incorrect Postal Ballot Forms will be rejected. The signature of the Postal Ballot Form must tally with the specimen signature registered with the Bank/ Depositories.
4. In case the shares are held by Companies, Trust, Society etc., a certified true copy of the Resolution/ power of attorney/attested specimen signature, authorizing such representative to vote on the resolution should accompany the Form. If the same is/are already registered with the Bank/Depository Participant, please quote the Registration Number beneath the signature.
5. Duly completed Postal Ballot Forms should reach the Scrutinizer not later than **5.00 p.m. on Tuesday, April 24, 2018**. Any Postal Ballot Form received after this time and date will be treated as if the reply from the Member has not been received.
6. A Member may request for a duplicate Postal Ballot Form, if so required. All such requests should be addressed to the Bank's Registrar and Share Transfer Agent of the Bank M/s S.K.D.C. Consultants Limited, Unit: The Karur Vysya Bank Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore 641006, Phone Nos. 0422-4958995, 2539835-836, Email: info@skdc-consultants.com. However the duly filled in duplicate Postal Ballot Form should reach the Scrutinizer not later than the time and date specified at Item No. 5 above.
7. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members on **Wednesday, March 21, 2018** which is the cut-off date fixed for this purpose.
8. The Members are requested not to send any other document along with the Postal Ballot Form in the enclosed self-addressed postage pre-paid business reply envelope as all such envelopes will be delivered to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
9. There will be only one Postal Ballot Form for every FOLIO / DP / CLIENT ID irrespective of the number of joint member(s).
10. The Scrutinizer's decision on the validity of a Postal Ballot Form will be final and binding.
11. The right of e-Voting and Postal Ballot Form through post shall not be exercised by a Proxy.
12. The Members can opt for only one mode of voting, i.e., either by Postal Ballot Form or e-Voting. Incase Members cast their votes through both the modes, voting done by e-Voting shall prevail and votes cast through Postal Ballot Forms will be treated as invalid.
13. The result of the Postal Ballot will be posted on the Website of the Bank www.kvb.co.in & www.evoting.nsdl.com, NSE, BSE for the information of the shareholders.
14. The last date of receipt of duly completed Postal Ballot Form or e-Voting i.e., **Tuesday, April 24, 2018** shall be the date on which the resolution would be deemed to have been passed, if approved by requisite majority.