

The Karnataka Bank Limited

Regd. & Head Office : Mahaveera Circle, Kankanady, Mangaluru - 575 002.
CIN : L85110KA1924PLC001128, Email : investor.grievance@ktkbank.com
[Website : www.karnatakabank.com, Tel. No. : 0824-2228222, Fax No. : 0824-2225588]

NOTICE TO THE MEMBERS

Notice is hereby given that the Ninety Fifth Annual General Meeting of THE KARNATAKA BANK LIMITED will be held as scheduled below:

Date : August 7, 2019
Day : Wednesday
Time : 11.30 AM
Place : Registered & Head Office
The Karnataka Bank Limited
Mahaveera Circle, Kankanady
Mangaluru-575002, Karnataka, India

to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements for the financial year ended March 31, 2019 together with the reports of the Auditors and the Directors thereon.
2. To declare dividend.
3. To appoint a director in place of Mr. P Jayarama Bhat (DIN: 00041500), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint auditors to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration. The Board proposes to appoint M/s Badari, Madhusudhan & Srinivasan, (Firm Registration No.005389S) Chartered Accountants, No. 132, II Floor, Kantha Court, Lalbagh Road, Bengaluru-560027 and M/s Manohar Chowdhry & Associates, (Firm Registration No.001997S) Chartered Accountants, New No.27, Subramaniam Street, Abiramapuram, Chennai-600018, jointly as Statutory Central Auditors of the Bank to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, subject to approval from Reserve Bank of India.
5. To authorize the Board of Directors/Audit Committee of the Board to appoint branch auditors in consultation with the Bank's Statutory Central Auditors to audit the accounts for the year ending March 31, 2020 of such of the branches/ offices of the Bank as are not proposed to be audited by the Bank's Statutory Central Auditors pursuant to Section 139 and 143(8) of the Companies Act, 2013 and subject to the approval of the Reserve Bank of India under Section 30(1A) of the Banking Regulation Act, 1949 on such remuneration and subject to such terms and conditions as may be fixed by the Board of Directors or Audit Committee of the Board.

SPECIAL BUSINESS

6. To consider the passing of the following resolution, as a SPECIAL RESOLUTION, with or without modifications.

“RESOLVED THAT pursuant to Sections 4, 13, 15 and all other applicable provisions of the Companies Act, 2013 ('Act') and the rules made thereunder the consent of the Members of the Company be and is hereby accorded to amend object clause of The Memorandum of Association of the Bank by inserting a new Clause No. (p) in the “objects ancillary or incidental to the attainment of the main objects” of the Memorandum of Association of the Bank:

(p) To set up a subsidiary/ies for undertaking business as may be permitted under the provisions of Banking Regulation Act, 1949/Companies Act, 2013/RBI Guidelines as amended from time to time.”

7. To consider the passing of the following resolution, as a SPECIAL RESOLUTION, with or without modifications.

“RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules 2014 and Schedule IV to the Companies Act, 2013, Section 10A and other applicable provisions of the Banking Regulation Act, 1949 and the Circulars and Guidelines issued by the Reserve Bank of India, Mr. B A Prabhakar (DIN : 02101808), Independent Director of the Bank, in respect of whom a written notice pursuant to Section 160 of the Companies Act, 2013 has been received from a member signifying his intention to propose him as a candidate for re-appointment as an Independent Director of the Bank, be and is hereby re-appointed as an Independent Director of the Bank who shall hold office upto September 5, 2022 (i.e., period of 8 years from the original date of appointment in terms of Section 10A(2A) of Banking Regulation Act) and that he shall not be liable to retire by rotation”

8. To consider the passing of the following resolution, as a SPECIAL RESOLUTION, with or without modifications.

“RESOLVED THAT pursuant to Section 180(1) and other applicable provisions, if any, of the Companies Act, 2013 and applicable Rules made thereunder, any other applicable provisions of law from time to time, and the provisions of the Memorandum and Articles of Association of the Bank and subject to such other approvals as may be necessary from any authorities or regulators, including Reserve Bank of India ("RBI"), the consent of the Members of the Bank be and is hereby accorded to the Board of Directors of the Bank (hereinafter referred to as “Board”, 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 or Rules thereunder) to borrow an amount in aggregate not exceeding Rs.2000 crore (Rupees Two Thousand Crore Only) over and above the aggregate of the paid up capital of the Bank and free reserves and the securities premium at any time”.

Registered Office:
Mahaveera Circle
Kankanady, Mangaluru-575002

By order of the Board of Directors
Prasanna Patil
Company Secretary

Date: June 17, 2019

Note :

1. SUBJECT TO THE PROVISIONS OF SECTION 105 OF THE COMPANIES ACT, 2013 AND COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014, A MEMBER OF THE BANK ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE BANK. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 AND HOLDING IN THE AGGREGATE NOT MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE BANK. THE INSTRUMENT APPOINTING PROXY IN ORDER TO BE VALID AND EFFECTIVE SHOULD BE LODGED/DEPOSITED WITH THE BANK AT ITS REGISTERED OFFICE AT LEAST FORTY EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Bank will remain closed from July 31, 2019 to August 7, 2019 (both days inclusive).
3. Members are requested to be in their seats at the meeting hall before the scheduled time for commencement of the Meeting.
4. Members/proxies should fill up the attendance slips for attending the meeting and bring the same to the meeting.
5. Members are requested to immediately notify change of their address, if any, to the Registrar & Share Transfer Agent (R&TA) of the Bank i.e. Integrated Registry Management Services Pvt. Ltd., No. 30, Ramana Residency, 4th Cross, Sampige Road, Malleshwaram, Bengaluru-560003 (Tel no. 080-23460815/6/7) in respect of shares held in physical form.
6. In case the shares are held in electronic form (demat), changes, if any, in the addresses shall be updated, before July 26, 2019, with the Depository Participants (DPs) where the beneficiary account is maintained.
7. Dividend on equity shares as recommended by the Board of Directors for the year ended March 31, 2019, upon declaration at this meeting will be payable to those members whose names stand on the Register of Members in respect of shares held in physical form and Register of Beneficial holders of shares for shares held in electronic (demat) form as at the close of July 30, 2019.
8. Members who have not encashed their dividend warrants of the previous years are hereby requested to encash the same at the earliest. The dividend remaining unclaimed for a period of seven years from the date of declaration shall be transferred to the Investor Education and Protection Fund (IEPF) as per the provisions of Section 125 of the Companies Act, 2013. Further, the details of the unclaimed dividend of the shareholders are also available on the website of IEPF as well as the website of the Bank for information of the shareholders.
9. Pursuant to Section 124(6) of Companies Act, 2013, all shares in respect of which dividend has not been claimed for seven consecutive years or more shall be transferred by the Bank in the name of Investor Education and Protection Fund after sending reminders to the shareholders at the latest available address.
10. Members desiring any information about the annual accounts at the meeting are requested to write to the Bank so as to reach the Bank at least five (5) days in advance of the Annual General Meeting.
11. Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief profile and other details of Directors proposed to be appointed are annexed to this Notice.

12. In support of the 'Green Initiative' of the Ministry of Corporate Affairs, the Bank has sent through email the financial statements and other documents relating to this meeting to all those members whose email ID's are available with the Bank's Registrar and Share Transfer Agent. Further, the members are requested to encourage 'Green Initiative' by registering /updating their e-mail ID's with their respective Depository Participant(s) or with Integrated Registry Management Services Pvt. Ltd. for shares held in electronic form (Demat) or in physical form respectively to service the documents etc. electronically in future.
13. The relevant statement pursuant to Section 102 of the Companies Act, 2013, in respect of the special businesses set out above is annexed.
14. Article 74A of the Articles of Association of the Bank states that any suit by a member or members relating to any Annual General Meeting or Extraordinary General Meeting of the Bank or any meeting of its Board of Directors or a Committee of Directors or to any item of business on the agenda of any such meeting shall be subject to the exclusive jurisdiction of courts in Mangaluru city.
15. Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
16. In case of joint shareholders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
17. Pursuant to Section 107 and 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Bank is pleased to provide members the facility to exercise votes at the 95th AGM by electronic means and the business may be transacted through remote e-voting. Members holding the shares on the cut-off date only are eligible to vote by electronic means or in the general meeting. The schedule of remote e-voting is as under :
 - (a) Date and time of commencement of remote voting through electronic means: **August 3, 2019 at 9.00 a.m (IST).**
 - (b) Date and time of end of voting through electronic means (beyond which voting will not be allowed) : **August 6, 2019 at 5.00 p.m. (IST).**
 - (c) Details of website: www.evotingindia.com
 - (d) Details of persons to be contacted for issues relating to remote e-voting: Mr. Vijayagopal / Mr. Giridhar, Integrated Registry Management Services Pvt Ltd. Tel No. 080-23460815-18 Fax No. 080-23460819, email: helpdesk.evoting@cdslindia.com or irg@integratedindia.in
 - (e) Instructions for remote e-voting are given on page Nos. 13 to 14 of this notice.

The remote e-voting module shall be disabled for voting on August 6, 2019 at 5.00 p.m. (IST). Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. The voting right of members shall be in proportion to their shares in the paid up capital of the Bank, as on the cut-off date i.e. July 30, 2019, subject to restrictions contained in the Banking Regulation Act, 1949.

The Board of Directors has appointed Mr. M V Shanker Bhat, Advocate, Mangaluru, as a Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.

The results of voting on the above resolutions shall be declared not later than 48 hours from the conclusion of the Annual General Meeting of the Bank. The results declared along with the

Scrutinizer's Report will be made available on the Bank's website and on the website of Central Depository Services (India) Limited and the same shall simultaneously be communicated to the stock exchanges.

18. Members who have not voted through remote e-voting will be provided with the facility for voting either through electronic voting or ballot or polling paper at the meeting. It may be noted that the shareholders whose names appear in the Register of Members of the Bank as on the cut-off date i.e. July 30, 2019 only are allowed to vote at the AGM.
19. Members who have exercised their right to vote by remote e-voting may attend Annual General Meeting but shall not vote at the Annual General Meeting. If a member has voted in remote-voting, then he/she should not vote at the venue. However, in case such members have cast their votes at the venue then, remote e-voting shall prevail and the vote done at venue shall be treated as invalid.
20. Resolutions assented to by the requisite majority of the members by means of venue voting and remote e-voting shall be deemed to have been duly passed at the AGM.

Registered Office:
Mahaveera Circle
Kankanady, Mangaluru-575002

By order of the Board of Directors
Prasanna Patil
Company Secretary

Date: June 17, 2019

ANNEXURE TO NOTICE

Annexure to Item No. 3

Re-appointment of Mr. P Jayarama Bhat as Director and to hold the post of Part-Time Non-Executive Chairman of the Bank.

Mr. P Jayarama Bhat has been on the Board of the Bank since the year 2009. Currently, he is the Non-Executive Chairman and prior to that he was the MD & CEO of the Bank from 13th July 2009 to 11th April 2017. During April 2017, as a well-thought succession planning, he relinquished the post ahead of the tenure approved by the RBI and took up the position of Part-Time Non-Executive Chairman of the Bank pursuant to the approval received from Reserve Bank of India vide DBR.Appt. No.12034/08.40.001/2016-17 dated April 10, 2017 in accordance with Section 10B(1A) of the Banking Regulation Act, 1949, for a period of three years from the date of taking charge.

In terms of Section 152 of the Companies Act, 2013 read with section 149 of the Act, he is classified as a Non Executive Non Independent Director and as such he is liable to retire by rotation, and being eligible, offers himself for re-appointment. Hence, the resolution is submitted before the shareholders seeking approval for his re-appointment.

Brief Profile of Mr. P Jayarama Bhat

Mr. P Jayarama Bhat is a Post Graduate in Chemistry (with First Rank) from University of Mysore and also a Certified Associate of Indian Institute of Bankers (CAIIB). He has banking experience of over 4 decades covering all facet of banking operations. He joined Karnataka Bank as an Officer in the year 1973 and over a period of time got promoted to various positions. In the year 2005, he was promoted as Chief General Manager of the Bank. He was the Managing Director & CEO of the Bank for the period from 13th July 2009 to 11th April 2017. Presently he is the Part- time Non-Executive Chairman of the Bank with effect from 12th April 2017. He is also on the Board of Universal Sompo General Insurance Company Ltd., a joint venture of the Bank.

He was a member on Management Committee of the Indian Banks' Association (IBA) from August 2010 to August 2014, during which period he was also the Chairman of 'IBA Committee on Member Private Sector Banks'.

During his tenure as Managing Director, the Bank secured many awards in the field of IT, CSR, MSME instituted by IDRBT, IBA, CIMSME, ASSOCHAM etc. He figured in the list of Top 30 best CEOs of BFSI sector for the year 2016-2017 published by 'Business Today' magazine.

Brief Profile and Additional Information as per Secretarial Standard-2 (SS-2)

Name of the Director	P Jayarama Bhat
Age	67 years
Qualification	M.Sc., CAIIB
Experience	Banking, Agriculture and IT
Terms and conditions of appointment	Appointed as Part time Non-executive Chairman of the Bank w.e.f 12.04.2017.
Remuneration details	During the year 2018-19, a consolidated remuneration of ₹12,00,000/- and sitting fees aggregating to ₹ 27,70,000/- for attending meetings of the Board / Committees were paid.
Date of first appointment on the Board	12.04.2017 (in the present position)
Shareholding	6000 shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Not related to any other Directors, Manager and other Key Managerial Personnel of the Company
Number of meetings of the Board attended during the year	11
Other Directorships, Membership / Chairmanship of Committees of other Boards	Universal Sompo General Insurance Company Ltd. (Director) Investment Committee(Member)

Annexure to Item No. 4 & 5

Appointment of Statutory Central Auditors (SCAs) and Branch Auditors

In terms of Section 139(1) of the Companies Act, 2013, (the "Act") every company shall, at the first Annual General Meeting, appoint an individual or a firm as an Auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth Annual General Meeting (AGM) and thereafter till the conclusion of every sixth meeting. Further at every subsequent Annual Meeting, ratification for the appointment of Statutory Central Auditors shall be obtained from the members of the Bank.

Further, in terms of Section 30(1A) of the Banking Regulation Act, 1949, every banking company shall before appointing, re-appointing or removing auditor or auditors, obtain the previous approval of the Reserve Bank of India. Besides, in terms of RBI circular No.DBS.ARS.BC 04/08.91.001/2017-18 dated July 27, 2017 an audit firm, after completing its four year tenure in a particular private bank, will not be eligible for appointment as an SCA of the same bank for a period of six years.

At the 94th Annual General Meeting held on July 21, 2018, M/s Badari, Madhusudhan & Srinivasan, (Firm Registration No.005389S) Chartered Accountants, No. 132, II Floor, Kantha Court, Lalbagh Road, Bengaluru-560027 and M/s Manohar Chowdhry & Associates, (Firm Registration No.001997S), Chartered Accountants, New No.27, Subramaniam Street, Abiramapuram, Chennai-600018, were appointed as the Joint Statutory Central Auditors of the Bank who, at the conclusion of the ensuing Annual General Meeting, will be completing the period of first year in their term beginning from the FY 2017-18.

M/s Badari, Madhusudhan & Srinivasan, (Firm Registration No.005389S) Chartered Accountants and M/s Manohar Chowdhry & Associates, (Firm Registration No.001997S), Chartered Accountants have confirmed their eligibility to be appointed as Statutory Auditors in terms of Section 141 of the Companies Act, 2013 and applicable rules. The Board of Directors recommends the appointment of M/s Badari, Madhusudhan & Srinivasan, Chartered Accountants and M/s Manohar Chowdhry & Associates, Chartered Accountants jointly as Statutory Central Auditors of the Bank to hold office upto the conclusion of 96th AGM, in respect of whom, an application seeking the approval from the Reserve Bank of India under Section 30(1A) of the Banking Regulation Act, 1949, has been submitted and approval of the same is awaited.

Proposed fees payable to the statutory auditor(s) along with terms of appointment:

The joint Statutory Central Auditors(SCAs) were paid a consolidated remuneration of Rs.40,00,000/- (plus taxes) for conducting statutory audit for the year ended 2018-19 and limited review, Long Form Audit Reports, Year end Audit & Certification and Tax Audit. The fee was shared equally between the joint auditors. Besides, wherever the SCAs take up the audit of branches/offices of the Bank, fees shall be payable to them on the same structure as applicable to the branch auditors as may be decided by the Board/Committee. Further, out of pocket expenses incurred in connection with the Audit and for attending Audit Committee meetings were reimbursed at actuals. The Board including relevant committee(s) thereof be given the power to alter and vary the terms and conditions of the appointment, remuneration etc. including by reason of necessity on account of conditions as may be stipulated by RBI and/or any other authority, in such manner and to such extent as may be mutually agreed with the auditors.

Any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change : Not applicable as the reappointment of the existing auditors is proposed.

Basis of recommendation for appointment including the details in relation to and credentials of the statutory auditor(s):

Brief profile of M/s. Badari, Madhusudhan & Srinivasan:

The firm M/s. Badari, Madhusudhan & Srinivasan, Chartered Accountants, Bengaluru was established in the year 1991 by Mr. N. Srinivasan, Mr. N.K. Madhusudhan and Mr. Badari Prasad, Chartered Accountants and the firm has a standing of over 27 years in the profession. The firm has seven full time Fellow members of ICAI (FCAs) as partners and two (2) paid Chartered Accountants and has a total staff strength of 48 employees. Two of the Partners also possess DISA qualification, apart from obtaining certificate course on Bank concurrent audit conducted by the ICAI.

The firm is on the RBI Panel for appointment as auditors of the nationalized Banks and also empanelled with the C&AG for audit of the PSUs. The firm has the experience as Central Statutory Auditors of Indian Overseas Bank. The firm has a total experience of more than 27 years in the audit of Banking/Financial Services Sector which includes 3 years in the Statutory Central Audit, 25 years in Statutory Bank Branch Audits, 27 years in Concurrent Audit and other special assignments for Banks such as Systems Audit, Revenue Audits, Stock/Security Audits, Credit Audits etc. Besides, they meet the criteria to be appointed as SCA as per RBI circular DBS.No.ARS.BC.8/08.91.001/2000-2001 dated January 30, 2001.

Brief profile of M/s. Manohar Chowdhry & Associates:

Established in the year 1984 by Padmashri CA. T. N. Manoharan, M/s. Manohar Chowdhry & Associates has a standing of over 34 years in the profession with 26 Partners at present. The firm has 13 branches in India and one overseas branch in Dubai. The firm has 26 partners with 30 CAs working full time and has total staff strength of 400 Employees.

The firm has the experience of providing variety of services such as tax consultancy, Audit and Assurance, Taxation, Appeals and legal consultancy, Information Systems Audit, International taxation, Due diligence, Valuation of entities, Management consultancy etc. The firm is empanelled with RBI & Comptroller & Auditor General of India (C&AG) and has the experience in conducting Statutory Central Audit of Corporation Bank for two years and has a total experience of around 17 years in Statutory Bank Branch Audits and around 19 years in concurrent Audit. Also the firm has handled other special assignments for banks such as Systems Audit, Duration Gap Analysis Audit, Revenue Audits, stock audits etc. The firm is also the statutory Auditor for various PSUs. Besides, they meet the criteria to be appointed as SCA as per RBI circular DBS.No.ARS.BC.8/08.91.001/2000-2001 dated January 30, 2001.

Further, pursuant to Section 143(8) of the Companies Act, 2013, Bank shall also appoint branch auditors for audit of such of the branches or offices as are not proposed to be audited by the Statutory Central Auditors.

Accordingly, as set out in item No. 4 and 5 of this Notice, subject to the approval of the Reserve Bank of India, your Bank proposes to seek approval of the members to:

- (i) to appoint the above two audit firms as Statutory Central Auditors & authorise the Board of Directors to fix their remuneration and
- (ii) to authorise the Board to appoint Branch auditors and fix their remuneration.

None of the Directors, Key Managerial Personnel and their relatives is concerned or interested in the passing of this resolution.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (the “Act”).

In conformity with Section 102(1) of the Act, the following explanatory statement sets out the material facts relating to item Nos. 6 to 8 appearing in this Notice dated June 17, 2019.

Item No.6

Bank has undertaken transformation project/journey by name - ‘KBL VIKAAS’ to meet the growth aspirations by focusing on people and driven by technology. The transformation exercise mainly focuses on (a) growth with improved sales productivity, efficiency and designing new products (b) cost optimization with process automation and digitization as well as NPA Management (c) profitability boosters with pricing optimization and focus on fee income and (d) shareholder value enhancement through investor engagement, communication and corporate branding etc. In this context, Bank is mulling over to float wholly owned non-financial subsidiary with a view to reduce cost of operations and also to provide support to the Bank in achieving strategic objectives in the long run. Therefore, the Board proposes to include a new clause (p) in “other objectives” under the Object Clause of the MoA of the Bank empowering the Bank to setup the subsidiary/ies at any time in the future for carrying out such business activities as permitted under the provisions of Section 19(1) of Banking Regulation Act, 1949, and the RBI extant guidelines thereto. This amendment in the object clause will be subject to no objection from the Reserve Bank of India as required under Section 49(C) of the Banking Regulation Act, 1949.

None of the Directors of the Bank or Key Managerial Personnel or their respective relatives is concerned or interested, financially or otherwise in the above resolution. Your Board recommends the resolution for the approval of the members for as stated under item No. 6 of the Notice.

Item No.7

In terms of Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a company but shall be eligible for re-appointment on passing of a special resolution by the company for a further period upto five years. However, in terms of Section 10A(2A) of the Banking Regulation Act, 1949, no director of a banking company, other than its Chairman or Whole-Time-Director, by whatever name called, shall hold office continuously for a period exceeding eight years subject to the upper age limit of 70 years.

Mr. B A Prabhakar (DIN : 02101808), Independent Director, was appointed on the Board of the Bank on September 06, 2014 and will be completing the tenure of 5 years on September 05, 2019. The Board of Directors in its meeting held on March 23, 2019 while carrying out the performance evaluation of the directors, concluded that participation of Mr. B A Prabhakar in the Board deliberations and his contribution to the overall directions given by the Board has been noteworthy and accordingly evaluated his performance as very good. Further, the Board of Directors at its meeting held on April 30, 2019, while carrying out due diligence of the directors under Fit & Proper norms of RBI opined that Mr. B A Prabhakar is in compliance with fit & proper criteria of the RBI and eligible to continue as Director of the Bank and accordingly resolved to recommend his re-appointment as an Independent Director.

In this regard, a notice has been received from a member of the Bank under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. B A Prabhakar for re-appointment to the office of Director. A copy of the notice is available on our website viz., www.karnatakabank.com. The Bank has received from Mr. B A Prabhakar (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014 (ii) intimation in Form DIR-8 in terms of above Rules to the effect that they are not disqualified under sub-section 2 of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section

(6) of Section 149 of the Companies Act, 2013. Mr. B A Prabhakar appointment is also in compliance with the provisions of Section 10A(2) of the Banking Regulation Act, 1949.

In view of the above, Board recommends the proposal for re-appointment of Mr. B A Prabhakar as Independent Director not liable to retire by rotation for a period up to the date of completion of 8 year term as per the provisions of the Banking Regulation Act, 1949 and the same has been put up for the approval of the shareholders.

This statement may also be regarded as a disclosure under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Except Mr. B A Prabhakar, no other Director or Key Managerial Personnel of the Bank or their respective relatives are in any way concerned or interested, financially or otherwise, in this resolution.

Brief Profile of Mr. B A Prabhakar

Name of the Director	B A Prabhakar (Banavar Anantharamaiah Prabhakar)
Age	65 years
Qualification	B. Com., A.C.A
Experience	Former Chairman of Andhra Bank, 37 years experience in Banking in areas such as Credit, Treasury and Risk Management.
Date of first appointment on the Board	06.09.2014
Terms and conditions of appointment	Appointed as Independent Director w.e.f 16.07.2015
Remuneration details	Sitting fees paid for attending meetings of Board/Committees during FY 2018-19 was ₹ 24.40 lakh
Shareholding	267 equity shares
Relationship with other Directors, Manager & other Key Managerial Personnel of the company	Not related to any other Directors, Manager and other Key Managerial Personnel of the Company
Number of meetings of the Board attended during the year.	12 out of 12 Board Meetings.

Other Directorships, Membership/ Chairmanship of Committees of other Boards

Sl. No.	Directorship in Other Companies	Committee Positions	Position Held
1.	L&T Finance Holdings Ltd	Nil	-
2.	ASREC (INDIA) Ltd.	Audit Committee	Chairman
		Nomination & Remuneration Committee	Member
		Valuation Committee	Member
		Resolution Committee	Member
3.	Canara HSBC Oriental Bank of Commerce Life Insurance Co Ltd.	Audit Committee	Chairman
		Risk Management Committee	Member
		Nomination & Remuneration Committee	Chairman
		CSR Committee	Member
4.	National Securities Depository Ltd (NSDL)	Audit Committee	Chairman
		Risk Management Committee	Member
		Nomination & Remuneration Committee	Member

Mr. B A Prabhakar is a Chartered Accountant and a commerce graduate from the University of Mysore. He retired as Chairman of the Andhra Bank in August 2013 after serving various banks for about 37 years.

He had served as an Executive Director of Bank of India for a period of little over 3 years from October 2008 to December 2011. Before that, he had served Bank of Baroda from October 1977 to October 2008 having worked in all areas of Banking. He also worked abroad for about eight years in Zambia and U.K. He was also the Chief Executive of Bank of Baroda, U.K operations.

Previously, he has served on various Boards representing Banks he had worked. He was the Chairman of the Bank of India (Tanzania) and Bank of India (Indonesia). He was also on the Board of Star Union Daichi Insurance Ltd, India International Bank (Malaysia).

Item No. 8

In the normal course of business, Bank borrows money to meet its business requirements through various avenues and also raises money to meet capital requirements, by way of issuance of various debt securities (bond/debentures) as permitted by Reserve Bank of India ("RBI") and in accordance with the provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, and other applicable laws, from time to time.

As per Section 180(1)(c) of Companies Act, 2013 read with Article 22 of the Articles of Association of the Bank, the Board of Directors of a company shall exercise the powers to borrow only with the consent of the company by a special resolution, where the money to be borrowed, together with the money already borrowed by the company exceeds aggregate of its paid-up share capital, free reserves and securities premium, apart from temporary loans obtained in the ordinary course of business.

Accordingly, the Board of Directors, after assessing its fund requirements, has proposed to obtain the consent of the Members of the Bank for borrowing/raising funds in Indian/foreign currency up to Rs.2000 crore (Rupees Two thousand Crore only), in one or more tranches in domestic and/or overseas market, as per the structure and within the limits permitted by RBI and other regulatory authorities, subject to the relevant provisions of Companies Act, 2013 and the applicable circulars or guidelines issued by RBI, on such terms and conditions as the Board of Directors or any Committee(s) thereof or such other persons as may be authorized by the Board, from time to time, determine and consider proper and appropriate for the Bank. This amount would be over and above the aggregate of the paid up capital of the Bank, its free reserves and the securities premium at any time, apart from (i) acceptance of the deposits of money from public repayable on demand or otherwise and withdrawable by cheque, draft or otherwise and/or (ii) temporary loans obtained in the ordinary course of business of the Bank and would form part of the overall borrowing limits under Section 180(1) (c) of the Companies Act, 2013. As such, this is an enabling resolution for the Bank which will help in timely borrowing in order to meet funding requirements.

Accordingly, the consent of Members is being sought by way of special resolution as set out at in Item No. 8 of this Notice for borrowing/raising funds in Indian/foreign currency. None of the Directors or Key Managerial Personnel and their relatives is in any way, concerned or interested in this resolution.

Additional Disclosures in connection with KBL Employees Stock Option Scheme 2018 (KBL ESOS 2018):

Bank has implemented ESOS 2018 which was approved by the shareholders of the Bank at 94th Annual General Meeting. In this connection, we provide the following disclosures as required in terms of SEBI circular CIR/CFD/POLICY CELL/2/2015 read with Regulation 6(2) of the SEBI (Share Based Employee Benefits) Regulation, 2014 for the information of the members:

Sl. No.	Disclosures	
1	Maximum quantum of benefits to be provided per employee under the scheme(s).	Since, the options are granted at the market price as on the date of grant, the maximum quantum of benefit underlying the options issued to the eligible employees shall be equal to the difference between the option exercise price and market price of the shares as on the exercise date.
2	Whether the scheme(s) involves new issue of shares by the Company or secondary acquisition by the trust or both.	ESOS 2018 scheme involves only new issue of shares. Since, the scheme will be administered by the Nomination and Remuneration Committee of the Board (NRC) and formation of trust is not proposed in the scheme, secondary acquisition is not applicable.
3	The amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms etc.	The scheme is implemented by the company itself and therefore, the question of amount of loan provided to the trust does not arise.
4	The maximum percentage of the secondary acquisition (subject to limit specified under the regulations) that can be made by the trust for the purpose of the scheme(s).	No. The scheme is being implemented by the company itself and therefore, the question of secondary acquisition for the purpose of the scheme does not arise.
5	A statement to the effect that the Company shall conform to the accounting policies specified in Regulation 15 of SEBI (Share Based Employee Benefits) Regulations, 2014.	Bank will conform to the accounting policies specified in Regulation 15 of the SEBI (Share Based Employee Benefits) Regulations, 2014.

Registered Office:
Mahaveera Circle
Kankanady, Mangaluru-575002

By order of the Board of Directors
Prasanna Patil
Company Secretary

Date: June 17, 2019

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on August 3, 2019 at 9.00 a.m. and ends on August 6, 2019 at 5.00 p.m. During this period shareholders' of the Bank, holding shares either in physical form or in dematerialized form, as on the cut-off date (i.e., July 30, 2019) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders/members.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below :

For Members holding shares in Demat Form and Physical Form	
PAN	<ul style="list-style-type: none"> • Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank details or Date of birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN of The Karnataka Bank Ltd on which you choose to vote.

- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, the relevant user using admin login would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xxii) Any person, who acquires shares of the Bank and become a member after despatch of the notice and holding shares as on the Cut-off date i.e. July 30, 2019 may write to investor.grievance@ktkbank.com, or irg@integratedindia.in in case of any login related issues. However, if you are already registered with CDSL for remote e-voting, then you can use your existing user ID and password for casting your vote.

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ROUTE MAP

