

# The Karnataka Bank Ltd.

**PROCEEDINGS OF THE 94<sup>th</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF THE KARNATAKA BANK LTD (THE BANK/THE COMPANY) HELD ON SATURDAY, 21<sup>ST</sup> JULY 2018 AT 11.30 AM AT THE REGISTERED & HEAD OFFICE OF THE BANK, MAHAVEERA CIRCLE, KANKANADY, MANGALURU-575002.**

580 members including corporate representatives and 11 proxies (representing 18515 shares) were present in the meeting.

Details of attendance of Directors:

SI No.	Messrs	Designation
1.	P Jayarama Bhat	Chairman
2.	Mahabaleshwara M S	Managing Director & CEO
3.	B A Prabhakar	Independent Director and Chairman of the Audit Committee of the Board
4.	Rammohan Rao Belle	Independent Director
5.	Ashok Haranahalli	Independent Director and Chairman of Stakeholders Relationship Committee
6.	U R Bhat	Independent Director
7.	Keshav K Desai	Independent Director
8.	D Surendra Kumar	Independent Director
9.	Mrs. Mythilly Ramesh	Additional Director

In attendance: Mr. Raghavendra Bhat M, Chief Operating Officer, Mr. Chandrashekar Rao B, General Manager, Mr. Subhaschandra Puranik, General Manager, Mr. Y V Balachandra, General Manager and CFO, Mr. Muralidhar K. Rao, General Manager, Mr. Nagaraja Rao B, General Manager, Mr. Gokuldas Pai, General Manager, Mr. Manjunatha Bhat B K, General Manager, Mr. Mahalingeshwara K, General Manager and Mr. Prasanna Patil, Company Secretary.

Mrs. Abarna Bhaskar, Partner, M/s. Abarna & Ananthan, Mr. B R Ashok, Partner, M/s. R K Kumar & Co, the Statutory Central Auditors of the Bank and Mr. Gopalakrishnaraj H H, M/s Gopalakrishnaraj H H & Associates, Secretarial Auditor of the Bank were also present. Mr. M V Shanker Bhat, Bank's Legal Advisor was also present.

In terms of Article 32(a) of the Articles of Association of the Bank, Mr. P Jayarama Bhat, Chairman, presided over the meeting. After ascertaining that necessary quorum was present, he called the meeting to order.

The Chairman welcomed the members and proxy holders/representatives of companies/institutions to the meeting. Thereafter, with the consent of the members present, the notice convening the meeting was taken as read. Documents referred to in the notice and statutory registers were kept open for inspection by the members till the conclusion of the meeting in terms of the Companies Act, 2013.

The Chairman also briefed about the changes in the Board and the Management of the Bank.

Thereafter, Mr. Mahabaleshwara M S, Managing Director & CEO addressed the shareholders briefly covering the global economic conditions, macro-economic situation in India, challenges

faced by the banks in India, new initiatives planned etc. He also briefed about the performance of the Bank during the financial year ended March 31, 2018 and informed that amidst the challenging business environment, the Bank was able to post satisfactory results. He also briefly informed about the transformation project taken-up by the Bank viz. Project Vikaas, Bank's aspirational turnaround plan and the manner in which the project is expected to bring value addition to the Bank's overall performance in the long run.

Thereafter, the Chairman informed that pursuant to Rule 20 of the Companies (Management and Administration) Rules, 2014 and in terms of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, remote e-voting facility was provided to the shareholders which opened for voting at 09.00 AM on July 17, 2018 and closed at 5.00 PM on July 20, 2018 in respect of all resolutions placed at the meeting. With a view to enable the members present at this meeting who did not cast vote under remote e-voting facility, he informed that Poll facility has been provided to the members present at the Annual General Meeting. Further he informed that Mr. M V Shanker Bhat, Sr. Advocate, Rambhavan Complex, Kodialbail, Mangaluru-575003, has been appointed as the Scrutinizer to scrutinize the poll process in a fair and transparent manner. He informed that the Members and the proxy holders were provided with the Ballot Forms at the time of registration and requested them to cast their votes at the end of the meeting and drop the duly completed Ballot papers into Ballot boxes placed outside the meeting hall, which were sealed in the presence of the members.

The Chairman further informed that the results of voting in respect of resolutions placed before this meeting would be declared and published in the Bank's website after the polling process was over and after receipt of consolidated report on the voting from the scrutinizer.

The Chairman also informed that the results of the remote e-voting and e-voting at the AGM, together with the Report of the Scrutinizers thereon, will be disclosed to the Stock Exchanges and displayed on the website of the Bank within 48 hours

**Item No.1** set out in the notice convening the meeting was taken up for consideration. Since the Auditors' Report was already circulated to the members in the Annual Report and as there were no qualifications in the report, with the consent of the members present, the same was taken as read. Thereafter, the Chairman invited the shareholders to put forth their queries/clarifications, if any, relating to the annual financial statements for the reporting financial year. Few of the shareholders sought clarifications on profitability, non-performing assets, loans related provisioning, income tax provisioning etc. and relating to general operations of the Bank. Mr. Mahabalenshwara M S, Managing Director & CEO responded to each of the queries.

Mr. Sudheer Mahajan (Client ID: IN30023913497686) a shareholder proposed the following motion which was seconded by Mr. Kashinath P (Client ID: IN30051317450824) another shareholder.

**"Resolved that the Directors report dated June 18, 2018 and the audited financial statements comprising of the Balance Sheet as at March 31<sup>st</sup>, 2018 and the Profit and Loss account and the Cash Flow Statement for the year ended on that date, along with the auditors report thereon dated May 14, 2018 be and are hereby received, considered and adopted".**

In view of the Remote e-voting facility having been provided to the shareholders, for those members who had not voted under Remote e-voting, the motion was put to vote by Poll.

**Item No.2** set out in the notice convening the meeting was taken up for consideration. The Chairman informed that the Board of Directors had recommended a dividend @ ₹3 per share on the paid up capital of the Bank for the year ended March 31, 2018 for declaration at this meeting. He further added that the resolution seeks members' approval by way of ordinary resolution.

Mr. S V Manjunath, a shareholder (Client ID: 1304050000094781) proposed the following motion which was seconded by Mr. Ramachandra Achar B (Ledger folio no. 427), another shareholder.

**“Resolved that dividend at the rate of 30% on the paid up equity share capital (viz. 282607686 equity shares of ₹10 each) i.e., ₹3/- per share for the financial year ended March 31, 2018 be and is hereby approved and same be paid to those members whose name appear on the register of members/register of beneficial holders as on July 12, 2018 in respect of shares held in electronic form and as on July 12, 2018 in respect of shares held in physical form”.**

In view of the Remote e-voting facility having been provided to the shareholders, for those members who had not voted under Remote e-voting, the motion was put to vote by Poll.

Since Mr. P Jayarama Bhat was interested in the next resolution, he requested Mr. Ashok Haranahalli, Director to preside over the meeting in respect of item no.3 of the notice. Accordingly, Mr. Ashok Haranahalli presided over as Chairman for the said resolution.

**Item No. 3** set out in the notice convening the meeting was then taken up for consideration. Mr. Ashok Haranahalli informed that the Board of Directors had recommended re-appointment of Mr. P Jayarama Bhat, who is retiring by rotation pursuant to Section 152(6) of the Companies Act, 2013 and being eligible, he offers himself for re-appointment. He further added that the resolution seeks members' approval by way of ordinary resolution.

Mr. Sadashiva M (Client ID: IN30192630149308), a shareholder proposed the following motion, which was seconded by Mr. Radhakrihna Bhat (Client ID: IN30051314320693), another shareholder.

**“RESOLVED THAT in accordance with applicable provisions of the Companies Act, 2013 and the Rules made thereunder Mr. P Jayarama Bhat who is eligible to retire by rotation holds office upto the date of next Annual General Meeting liable to retire by rotation”**

In view of the Remote e-voting facility having been provided to the shareholders, for those members who had not voted under Remote e-voting, the motion was put to vote by Poll.

Thereafter Mr. P Jayarama Bhat thanked Mr. Ashok Haranahalli and presided over as Chairman of the meeting for taking up next items of the notice.

**Item No.4** set out in the notice convening the meeting was taken up for consideration. The Chairman explained that the Board of Directors has proposed the appointment of two audit firms namely M/s Manohar Chowdhry & Associates, Chennai, statutory central auditors jointly with M/s Badari, Madhusudhan & Srinivasan, Chartered Accountants, Bengaluru 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 and their appointment has been

approved by Reserve Bank of India pursuant to Section 30(1A) of the Banking Regulation Act, 1949.

The following motion was proposed by Mr. K. G. Jayaram (Client ID: IN30113526035085) shareholder, and it was seconded by Mr. Ramachandra Achar (Ledger Folio No. 427) another shareholder.

**“Resolved that M/s Manohar Chowdhry & Associates, (Firm Registration No.001997S) Chartered Accountants, New No.27, Subramaniam Street, Abiramapuram, Chennai-600018 and M/s Badari, Madhusudhan & Srinivasan, (Firm Registration No.005389S) Chartered Accountants, No. 132, II Floor, Kantha Court, Lalbagh Road, Bengaluru-560027 be and are hereby appointed jointly as the Statutory Central Auditors of the Bank to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and the Board of Directors of the Bank be and is hereby authorised to fix their remuneration.”**

In view of the Remote e-voting facility having been provided to the shareholders, for those members who had not voted under Remote e-voting, the motion was put to vote by Poll.

**Item No.5** set out in the notice convening the meeting was then taken up for consideration. The Chairman informed that that the Board of Directors propose to appoint branch statutory auditors for the audit of such of the branches/offices as are not proposed to be audited by the Statutory Central Auditors of the Bank for the year ending March 31, 2019 in consultation with Statutory Central Auditors and to fix their remuneration. He further added that the resolution seeks members' approval by way of ordinary resolution.

Mr. Govindraya Acharya U, a shareholder (Client ID: IN30023915415646) proposed the following motion, and it was seconded by Mr. Nityananda Vaidya (Client Id: IN30169610433088), another shareholder.

**“RESOLVED THAT in terms of Section 143(8) of the Companies Act, 2013, the Board of Directors be and is hereby authorised to appoint from time to time and in consultation with the Bank's Statutory Central Auditors, one or more persons qualified for appointment as branch auditor/s to audit the accounts for the year ending 31<sup>st</sup> March, 2019 of such of the branches/offices of the Bank as are not proposed to be audited by the Bank's Statutory Central Auditors on such remuneration and subject to such terms and conditions as may be fixed by the Board of Directors.”**

In view of the Remote e-voting facility having been provided to the shareholders, for those members who had not voted under Remote e-voting, the motion was put to vote by Poll.

**Item No. 6** set out in the notice convening the meeting was then taken up for consideration. The Chairman informed that the Board of Directors had appointed Mrs. Mythily Ramesh, as an Additional Director under Section 161 of the Companies Act, 2013 and she holds office upto the date of this Annual General Meeting. A notice has been received from a member of the Bank under Section 160 of the Companies Act, 2013 proposing the candidature of Mrs. Mythily Ramesh for the office of Director. Further pursuant to Section 149 read with Schedule IV of the Companies Act, 2013, the Board of Directors having taken into consideration the declaration received from Mrs. Mythily Ramesh, is of the view that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. The Board is of the opinion that she fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder

and she is independent of the management. He further added that the resolution seeks members' approval for appointment of Mrs. Mythily Ramesh as an Independent Director of the Bank to hold the office upto March 13, 2023 not liable to retire by rotation. He further added that the resolution seeks members' approval by way of ordinary resolution.

Mr. Narayana S Hegde (Ledger folio no: 28000052), a shareholder proposed the following motion, and it was seconded by Mr. Halsnad Rammohan (Client ID: 1206290000023990), another shareholder.

**“RESOLVED THAT in accordance with applicable provisions of the Companies Act, 2013 and the Rules made thereunder and the Articles of Association of the Bank, Mrs. Mythily Ramesh,(DIN : 06959991) who was appointed as an Additional Director by the Board of Directors on March 14, 2018, pursuant to Article 38(d) of the Articles of Association of the Bank and Section 161(1) of the Companies Act, 2013 and who holds office upto the date of this Annual General Meeting and 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 Mrs. Mythily Ramesh as a candidate for the office of Director of the Bank pursuant to the provisions of Sections 149, 152 and any other applicable provisions 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, Mrs. Mythily Ramesh be and is hereby appointed as an Independent Director of the Bank who shall hold office upto March 13, 2023 and that she shall not be liable to retire by rotation”**

In view of the Remote e-voting facility having been provided to the shareholders, for those members who had not voted under Remote e-voting, the motion was put to vote by Poll.

**Item No.7** set out in the notice convening the meeting was then taken up for consideration. The Chairman informed that the Board of Directors had proposed to revise the basic salary of Mr. Mahabaleshwara M S, Managing Director & CEO of the Bank be and is hereby revised to ₹4,00,000/- per month (i.e., ₹48.00lakh per annum) from ₹3,50,000/- per month subject to approval of Reserve Bank of India (RBI) under Section 35B of the Banking Regulation Act, 1949 and subject to the applicable provisions of the Companies Act, 2013 which will be effective from 01.04.18 till the remaining period of his term. He further added that the resolution seeks members' approval by way of ordinary resolution.

Mr. A. G. Kodgi (Client ID: IN30192630556431), a shareholder proposed the following motion, which was seconded by Mr. Nityananda Vaidya (Client ID: IN3016961043308), another shareholder.

**“RESOLVED THAT subject to approval of Reserve Bank of India (RBI) under Section 35B of the Banking Regulation Act, 1949 and subject to the applicable provisions of the Companies Act, 2013, the basic salary payable to Mr. Mahabaleshwara M S, Managing Director & CEO of the Bank be and is hereby revised to ₹4,00,000/- per month (i.e., ₹48.00lakh per annum) from ₹3,50,000/- per month (i.e., ₹42.00lakh per annum) effective from 01.04.18 till the remaining period of his term.**

**RESOLVED FURTHER THAT all other terms and conditions of his appointment permitted by RBI vide its letter DBR Appt. No.11838/08.40.001/2016-17 dated April 05, 2017 and**

approved by the shareholders in the 93<sup>rd</sup> Annual General Meeting of the Bank held on 17.07.2017 remains the same.

**RESOLVED FURTHER THAT the Board/any Officer of the Bank duly authorized by the Board be and is hereby authorized to do all such acts, deeds and things as may be required to give effect to the aforesaid resolution."**

In view of the Remote e-voting facility having been provided to the shareholders, for those members who have not voted under Remote e-voting, the motion was put to vote by Poll.

**Item No.8** set out in the notice convening the meeting was then taken up for consideration. The Chairman informed that pursuant to Section 61(1)(a) of the Companies Act, 2013 read with Companies (Share Capital and Debenture) Rules, 2014 and Article 15(1)(a) of the Articles of Association of the Bank, the Authorized Share Capital of the Bank be increased from the existing ₹500,00,00,000/- divided into 50,00,00,000 Equity shares of ₹10/- each to ₹800,00,00,000/- divided into 80,00,00,000 Equity Shares of ₹10/- each and in that connection, the Clause 5 of the Memorandum of Association of the Bank is proposed to be amended as under. He further added that the resolution seeks members' approval by way of ordinary resolution. )

*"The Authorised Share Capital of the Bank is ₹800,00,00,000/- divided into 80,00,00,000 Equity shares of ₹10/- each".*

Mr. S V Manjunath, a shareholder (Client ID: 1304050000094781), a shareholder proposed the following motion, which was seconded by Mr. Ivan Pinto (Client ID:IN30021414152887), another shareholder.

**RESOLVED THAT pursuant to Section 61(1)(a) of the Companies Act, 2013 read with Companies (Share Capital and Debenture) Rules, 2014 and Article 15(1)(a) of the Articles of Association of the Bank, the Authorized Share Capital of the Bank be and is hereby increased from the existing ₹500,00,00,000/- divided into 50,00,00,000 Equity shares of ₹10/- each to ₹800,00,00,000/- divided into 80,00,00,000 Equity Shares of ₹10/- each and in that connection, the Clause 5 of the Memorandum of Association of the Bank be and is hereby amended to read as under: )**

*"The Authorised Share Capital of the Bank is ₹800,00,00,000/- divided into 80,00,00,000 Equity shares of ₹10/- each".*

In view of the Remote e-voting facility having been provided to the shareholders, for those members who have not voted under Remote e-voting, the motion was put to vote by Poll.

**Item No.9** set out in the notice convening the meeting was then taken up for consideration. The Chairman informed that the present Authorized and Paid-up Capital of the Bank is ₹500 crore and ₹282.62 crore respectively and it is proposed to increase the authorized share capital of the Bank from ₹500 crore to ₹800 crore to facilitate further issue of equity shares whenever necessary. For this purpose, in terms of Section 14 and other applicable provisions, if any, of the Companies Act 2013 read with Companies (Share Capital and Debenture) Rules, 2014, the Article 3(a) of the Articles of Association of the Bank be and is hereby amended to read as:

"The Authorised Share Capital of the Bank is ₹800,00,00,000/- divided into 80,00,00,000 Equity shares of ₹10/- each". He further added that the resolution seeks members' approval by way of special resolution.

Mr. Kodandarama Bhat (Client ID: IN30133018718540), a shareholder proposed the following motion, which was seconded by Mr. Ayyappan M (Client ID IN30017510244033), another shareholder.

**"RESOLVED THAT pursuant to Section 14 and other applicable provisions, if any, of the Companies Act 2013 read with Companies (Share Capital and Debenture) Rules, 2014, the Article 3(a) of the Articles of Association of the Bank be and is hereby amended to read as under:**

*"The Authorized Share Capital of the Bank is ₹800,00,00,000/- divided into 80,00,00,000 Equity shares of ₹10/- each".*

In view of the Remote e-voting facility having been provided to the shareholders, for those members who had not voted under Remote e-voting, the motion was put to vote by Poll.

**Item No.10** set out in the notice convening the meeting was then taken up for consideration. The Chairman informed 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. Ashok Haranahalli 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 13, 2020 (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. He further added that the resolution seeks members' approval by way of special resolution.

Mr. Gopalakrishna Bhat (Client ID: IN30021415382338), a shareholder proposed the following motion, and is seconded by Mr. Kashinath P (Client ID: IN30051317450824), another shareholder.

**"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. Ashok Haranahalli (DIN : 05339634) 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 13, 2020 (i.e., period of 8 years from the original date of appointment in terms of Section 10A(2A) of Banking Regulation Act, 1949) and that he shall not be liable to retire by rotation."**



In view of the Remote e-voting facility having been provided to the shareholders, for those members who had not voted under Remote e-voting, the motion was put to vote by Poll.

**Item No.11** set out in the notice convening the meeting was then taken up for consideration. The Chairman informed 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. Rammohan Rao Belle, 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 October 20, 2021 (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. He further added that the resolution seeks members' approval by way of special resolution.

Mr. Laxmi Narayana Rao M H (Ledger Folio No. 1970), a shareholder proposed the following motion, which was seconded by Mr. Gopinathan (Client ID: IN30023913337725), another shareholder.

**“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. Rammohan Rao Belle,(DIN : 02370794) 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 October 20, 2021 (i.e., period of 8 years from the original date of appointment in terms of Section 10A(2A) of Banking Regulation Act, 1949) and that he shall not be liable to retire by rotation”**

In view of the Remote e-voting facility having been provided to the shareholders, for those members who had not voted under Remote e-voting, the motion was put to vote by Poll.

**Item No.12** set out in the notice convening the meeting was then taken up for consideration. The Chairman informed that pursuant to the implementation of Companies Act, 2013 and also SEBI (LODR) Regulations, procedure to be followed with respect to transfer/ transmission of securities has been simplified. With a view to align and further simplify and to expedite the procedure for registering the requests for registering transmission, deletion of names, transposition of securities and for issue of duplicate share certificates etc., it is proposed to amend the Article 51(u) of Article of Association of the Bank as stated below:

Nature of Request	Current Structure	Proposed Structure
1. Transfer of securities:	Delegated to Managing Director & CEO	No Change



2. Registering transmission, Deletion of names, Transposition of securities and for issue of duplicate share certificates etc	Approval by Board/Executive Committee/ Share Transmission Committee	Approval by Board or Executive Committee or Managing Director & CEO
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He further added that the resolution seeks members' approval by way of special resolution.

Mr. B Santhosh Rao (Client ID: IN30192630749364), a shareholder proposed the following motion, and it was seconded by Mr. Ramachandra Achar B (Ledger folio no. 427) another shareholder.

**“RESOLVED THAT pursuant to Section 14 of the Companies Act, 2013 read with all other applicable provisions and Rules made thereunder and subject to such approvals as may be necessary, the Articles of Association of the Bank be and is hereby amended as follows:**

**Substitute the following in place of existing Article 51(u):**

*51(u) To constitute and to delegate to a committee or committees of Directors or to the Managing Director & CEO, the power to dispose of share transmission applications and any other matters delegation of which is not prohibited by the Companies Act, 2013”.*

In view of the Remote e-voting facility having been provided to the shareholders, for those members who had not voted under Remote e-voting, the motion was put to vote by Poll.

**Item No.13** set out in the notice convening the meeting was then taken up for consideration.

In an increasingly competitive environment, rewarding performing employees of the Bank is imperative for continued success. In order to incentivize, motivate and to retain the employees, Bank has recognized granting of stock options as a tool to reward the performance. Stock options create a sense of ownership among the employees and provide an opportunity to them to contribute to the growth of the Bank. It also helps in creation of long term wealth in the hands of the employees and also provides performance linked rewards to the eligible employees (excluding Independent Directors). In this regard, the Board of Directors of the Bank proposes to offer stock options to eligible employees including Whole-Time Directors. Accordingly, the Bank has formulated an Employee Stock Option Scheme called KBL STOCK OPTION SCHEME 2018 (ESOS-2018) being directly administered by the Bank. He further added that the resolution seeks members approval by way of special resolution for issue, grant/allot upto 50,00,000 (fifty lakh) equity stock options to employees of the Bank.

Mr. Govindraya Acharya U, a shareholder (Client ID: IN30023915415646), a shareholder proposed the following motion, and it was seconded by Mr. V Phani Bhushan (Client ID: IN30039415317669), another shareholder.

**“RESOLVED THAT pursuant to provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or re-enactment thereof for the time being in force, subject to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time and other Rules, Regulations, Guidelines, provisions of Memorandum and Articles of Association of the Bank and further subject to such approval, permissions and sanctions as may be necessary from Securities and Exchange Board of India, the Stock Exchanges, Reserve Bank of India, Govt. of India and other appropriate authorities as may**

be required and subject to such terms and conditions that may be prescribed or imposed by such authorities while granting such approval which may be agreed to or accepted by the Board of Directors (hereinafter referred to as "the Board" which expression shall include Committee/s of the Board including Nomination & Remuneration Committee (NRC) of the Board, the consent of the members of the Bank be and is hereby accorded to create, issue, grant/allot upto 50,00,000 (fifty lakh) equity stock options to employees of the Bank as defined under aforesaid SEBI regulations in one or more tranches through KBL-Stock Option Scheme 2018 (ESOS 2018) of the Bank which entitles the option holders to subscribe to 1 (ONE) equity share of the Bank of ₹10 each aggregating face value of ₹5,00,00,000/- at such price, in such manner, during such period and on such terms and conditions and in the manner as may be determined by the "Board".

RESOLVED FURTHER that without prejudice to the generality of the above but subject to terms as approved by the members, the Board be and is hereby authorised to implement the scheme (with or without modification/s and variation/s) in one or more tranches in such manner as it may determine.

RESOLVED FURTHER that the Board be and is hereby authorised to issue and allot such number of equity shares as may be required upon exercise of options from time to time in pursuance of scheme and that equity shares so issued and allotted subject to the provisions of Memorandum and Articles of Association of the Bank shall rank pari-passu in all respects with the existing fully paid up equity shares of the Bank including dividend, if any, during year of allotment of shares pursuant to exercise of options vested in the employees.

RESOLVED FURTHER that in case Bank's equity share capital or its valuation is affected due to any corporate actions like issue of bonus/rights shares, any split or consolidation of face value of equity shares or any event of merger/ consolidation, capitalization or other reorganization of the Bank, tender offer of equity shares the Board be and is hereby authorised to make such adjustment with respect to outstanding Stock Options and such other action as it deems necessary or appropriate in this regard.

RESOLVED FURTHER that for the purpose of giving effect to the above resolution the Board be and is hereby authorised to do all such deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose on behalf of the Bank to settle any issues, questions, difficulties, doubts that may arise in this regard.

In view of the Remote e-voting facility having been provided to the shareholders, for those members who had not voted under Remote e-voting, the motion was put to vote by Poll.

Thereafter, the Chairman informed that as all the items of the notice have been transacted and the consolidated results of both e-voting and the poll will be published within the statutory timeline. He thanked all the members and proxy holders for their active participation in the meeting.

The meeting ended at 1.00 PM.

The consolidated report on voting results on the resolutions set out in the notice of the 94<sup>th</sup> Annual General Meeting was obtained from the Scrutinizer Mr. M V Shanker Bhat and intimated to the Stock Exchanges on 21.07.2018 and also published on Bank's website with the permission of the Chairman. The voting results were as under:

**CONSOLIDATED VOTING RESULTS**

Item No.	Description of the Resolution	Total Votes cast	E-Voting		Poll		Invalid votes	Total (E-voting & Poll)	
			FOR	Against	FOR	Against		FOR	Against
1.	Adoption of the audited financial statements for the year ended March 31, 2018 with report of Auditors and the Directors thereon.	86241496	85202861	423192	597790	225	17428	85800651	423417
<p>Votes cast in favour of the resolution were more than the votes cast against the resolution, the Chairman declared that the resolution was approved by majority and was passed as an ORDINARY RESOLUTION</p>									
2.	Declaration of Dividend on equity shares.	86242305	85626813	0	592433	5631	17428	86219246	5631
<p>Votes cast in favour of the resolution were more than the votes cast against the resolution, the Chairman declared that the resolution was approved by majority and was passed as an ORDINARY RESOLUTION</p>									
3.	Appointment of Mr. P. Jayarama Bhat, who retires by rotation and being eligible, offers himself for re-appointment.	86242305	83908860	1717953	586489	11575	17428	84495349	1729528
<p>Votes cast in favour of the resolution were more than the votes cast against the resolution, the Chairman declared that the resolution was approved by majority and was passed as an ORDINARY RESOLUTION.</p>									
4.	Appointment of M/s. Manohar Chowdhry & Associates, Chartered Accountants, Chennai and M/s. Badari, Madhusudhan & Srinivasan, Chartered Accountants, Bengaluru jointly as Statutory Central Auditors of the Bank for the year 2018-19 and fixing their remuneration.	86241477	85346309	280312	594801	2627	17428	85941110	282939
<p>Votes cast in favour of the resolution were more than the votes cast against the resolution, the Chairman declared that the resolution was approved by majority and was passed as an ORDINARY RESOLUTION.</p>									
5	Appointment of Branch Auditors to	86241818	85346266	280547	594532	3045	17428	85940798	283592

Item No.	Description of the Resolution	Total Votes cast	E-Voting		Poll		Invalid votes	Total (E-voting & Poll)	
			FOR	Against	FOR	Against		FOR	Against
	audit the accounts of Branches/Offices for the year 2018-19 and authorizing Board to fix their remuneration.	Votes cast in favour of the resolution were more than the votes cast against the resolution, the Chairman declared that the resolution was approved by majority and was passed as an ORDINARY RESOLUTION.							
6	Appointment of Mrs. Mythily Ramesh as an Independent Director of the Bank.	86240194	85613588	11850	596940	388	17428	86210528	12238
		Votes cast in favour of the resolution were more than the votes cast against the resolution, the Chairman declared that the resolution was approved by majority and was passed as an ORDINARY RESOLUTION.							
7	Revision in Basic Salary payable to Mr. Mahabaleshwara M S, Managing Director & CEO of the Bank.	86225147	85587479	22812	581110	16318	17428	86168589	39130
		Votes cast in favour of the resolution were more than the votes cast against the resolution, the Chairman declared that the resolution was approved by majority and was passed as an ORDINARY RESOLUTION.							
8	Amendment of Clause 5 of the Memorandum of Association i.e., increase in Authorised share capital.	86241569	85449711	177102	595603	1725	17428	86045314	178827
		Votes cast in favour of the resolution were more than the votes cast against the resolution, the Chairman declared that the resolution was approved by majority and was passed as an ORDINARY RESOLUTION.							
9	Amendment of Article 3(a) of the Articles of Association i.e., increase in Authorised share capital.	86241106	85496189	129574	595190	2725	17428	86091379	132299
		This item of the notice required passing of special resolution and the votes cast in favour of the resolution were more than the required majority, the Chairman declared that the said item was considered and passed at the General Meeting.							
10.	Re- appointment of Mr. Ashok Haranahalli, as Independent Director of the Bank.	86241569	85613924	12889	595559	1769	17428	86209483	14658
		This item of the notice required passing of special resolution and the votes cast in favour of the resolution were more than the required majority, the Chairman declared that the said item was considered and passed at the General Meeting.							
11.	Re- appointment of Mr. Rammohan Rao Belle, as Independent Director of the Bank.	86241377	85613943	12678	593661	3667	17428	86207604	16345
		This item of the notice required passing of special resolution and the votes cast in favour of the resolution were more than the required majority, the Chairman declared that the said item was considered and passed at the General Meeting.							
12.	Amendment of	86240994	85609283	16955	595734	1594	17428	86205017	18549

Item No.	Description of the Resolution	Total Votes cast	E-Voting		Poll		Invalid votes	Total (E-voting & Poll)	
			FOR	Against	FOR	Against		FOR	Against
	Article 51(u) of the Articles of Association i.e., delegation of Share transmission powers to Managing Director.								
		This item of the notice required passing of special resolution and the votes cast in favour of the resolution were more than the required majority, the Chairman declared that the said item was considered and passed at the General Meeting.							
13.	Introduction of Employees Stock Option Scheme 2018(ESOS 2018)	86240972	85597150	28479	582037	15878	17428	86179187	44357
		This item of the notice required passing of special resolution and the votes cast in favour of the resolution were more than the required majority, the Chairman declared that the said item was considered and passed at the General Meeting.							



CHAIRMAN