

CITY UNION BANK LIMITED

CIN: L65110TN1904PLC001287

Regd. Off.: 149, T.S.R (Big) Street, Kumbakonam - 612 001.

Phone: 0435 - 2432322 e-mail: shares@cityunionbank.in

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NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the members of **CITY UNION BANK LIMITED** will be held on Friday, the 14th day of August, 2020, at 10:15 a.m. The Annual General Meeting shall be held by the means of Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") on account of outbreak of COVID-19 pandemic and in accordance with the relevant circulars issued by the Ministry of Corporate Affairs, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Bank for the Financial Year ended 31st March, 2020 and the reports of Directors and Auditors thereon.
2. To confirm the Interim Dividend of 50% (i.e. ₹0.50 paise per equity share of face value of ₹1/- each fully paid up) approved by the Board of Directors and already paid to shareholders, for the Financial Year 2019-2020.
3. Appointment of M/s Sundaram & Srinivasan, Chartered Accountants, Chennai as Statutory Central Auditors of the Bank for FY 2020-21.

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

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 as may be applicable and the Banking Regulation Act, 1949 (including any statutory modifications or re-enactments thereof for the time being in force), the Rules, Circulars and Guidelines issued by the Reserve Bank of India from time to time and the approval from RBI vide its letter no.DOS. ARG.No.PS-13/08.13.005/2019-20 dated 17th June, 2020, approval of the members be and is hereby accorded for the appointment of M/s Sundaram & Srinivasan, Chartered Accountants, Chennai (Firm Registration No.004207S), as Statutory Central Auditors of the

Bank on a fourth term for FY 2020-21 from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Bank with a remuneration of ₹ 33 lacs and reimbursement of out of pocket expenses that may be incurred by them during the course of Statutory Audit, Tax Audit & LFAR and issuing other certifications prescribed by the Regulators, with the power to the Board including Audit Committee thereof to alter and vary the terms and conditions of appointment, the 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 Statutory Central Auditors."

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s), the following resolutions as an **Ordinary Resolution**:

"RESOLVED THAT the Board of Directors of the Bank be and is hereby authorized to appoint, in consultation with Statutory Central Auditors of the Bank, the Branch Auditors who are qualified to act as Auditors, including Statutory Auditors pursuant to Section 139, 143(8) and other applicable provisions of the Companies Act, 2013 and the Rules made there under for the purpose of audit of the branches of the Bank for the financial year 2020-21 and to decide the Branch Offices to be audited by such Branch Auditors and to fix their remuneration and reimbursement of out of pocket expenses incurred in connection with the Audit, based on the recommendation of the Audit Committee of the Board."

5. To consider and if thought fit, to pass with or without modification(s), the following resolutions as **Ordinary Resolutions**:

- A. **Revision of Fixed Pay w.e.f. 01st May, 2019 and Variable Pay for FY 2018-19 for Dr. N. Kamakodi, MD & CEO of the Bank**

“RESOLVED THAT pursuant to the approval received from the Reserve Bank of India dt. 20th April, 2020 under Section 35B of the Banking Regulation Act, 1949 and subject to Article 26 of the Articles of Association of the Bank, relevant provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any modifications or re-enactments thereof for the time being in force) and any other applicable rules, approval of the members be and is hereby accorded for the revision of fixed pay from ₹ 84 lacs p.a. plus perquisites to ₹ 87 lacs p.a. plus perquisites to Dr. N. Kamakodi (DIN 02039618) Managing Director & CEO of the Bank effective from 01st May, 2019.”

“RESOLVED FURTHER THAT all other terms and conditions of his remuneration including perquisites applicable w.e.f. 01st May, 2019, as permitted by RBI vide its letter no.DBR.Appt.No. 8199/ 08.42.001/ 2018-19 dt.29th March, 2019 and approved by the shareholders at their Annual General Meeting held on 29th August, 2019 remain unaltered.”

“RESOLVED FURTHER THAT approval of the members be and is hereby accorded for payment of variable pay of ₹ 30,00,000 (Rupees Thirty Lacs only) to Dr. N. Kamakodi for FY 2018-19 pursuant to approval of RBI received on the 20th April, 2020.”

B. Re-appointment of Dr. N. Kamakodi as MD & CEO of the Bank w.e.f. 01st May, 2020 and Remuneration thereof

“RESOLVED THAT pursuant to the approval received from the Reserve Bank of India dt. 20th April, 2020 under section 35B of the Banking Regulation Act, 1949 and subject to Article 26 of the Articles of Association of the Bank and the relevant provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any modifications or re-enactments thereof for the time being in force), approval of the members be and is hereby accorded for the re-appointment of Dr. N. Kamakodi (DIN 02039618) as the Managing Director & CEO of the Bank for a period of three years w.e.f. 1st May, 2020 on such terms of remuneration and conditions as may be approved by RBI and agreed to by the Board.”

“RESOLVED FURTHER THAT the Board of Directors / concerned Committees be and are hereby authorized to file necessary applications from time to time with the RBI for revision of remuneration/ modification of any terms and conditions of Dr. N. Kamakodi, MD & CEO and to make payments thereof subject to the condition that the total remuneration shall not exceed the maximum ceiling limit prescribed under Schedule V of the Companies Act, 2013.”

6. To authorize the Board to offer, issue and allot shares by way of Qualified Institutions Placement

To consider and if thought fit, to pass with or without modification(s), the following resolutions as **Special Resolutions:**

“RESOLVED THAT pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof, for the time being in force) and enabling provisions of the Memorandum and Articles of Association of the Bank, the SEBI Listing Regulations, 2015 and subject to the provisions of Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, the provisions of the Foreign Exchange Management Act, 1999, applicable rules, regulations, guidelines or laws and / or any approval, consent, permission or sanction of the Central Government, Reserve Bank of India, SEBI and any other appropriate authorities, institutions or bodies (hereinafter collectively referred to as the “appropriate authorities”) and subject to such conditions as may be prescribed by any one of them while granting any such approval, consent, permission and / or sanction (hereinafter referred to as the “requisite approvals”) which may be agreed to by the Board of Directors of the Bank (herein after called the “Board”) which term shall be deemed to include any Committee which the Board may constitute and Board be and is hereby authorized, to offer, issue and allot, by way of Qualified Institutions Placement (QIP), to Qualified Institutional Buyers (QIB), in terms of Chapter VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, whether or not such investors are existing members of the Bank, through one or more placements to raise an amount not exceeding ₹ 600/- crore (Rupees Six Hundred core only) by issue of Equity shares of ₹ 1/- each at such price or prices, (whether at prevailing market prices or at permissible discount or premium to market prices in terms of applicable regulations) as the Board or the appointed Committee thereof may determine at its discretion in accordance with the relevant guidelines and where necessary in consultation with Lead Managers and / or Co-Managers and other Advisors.

RESOLVED FURTHER THAT the QIP issue shall be completed within 365 days from the date of this resolution. The Bank may in accordance with applicable law, also offer a discount of such percentage as permitted under applicable law on the price calculated in accordance with the pricing formula provided under the ICDR Regulations.

RESOLVED FURTHER THAT pursuant to Regulation 176 (1) of SEBI ICDR Regulations, the Bank be and is hereby authorised to offer equity shares at a discount of not more than 5% on the issue price or such other percentage as may be permitted under the applicable laws from time to time.

RESOLVED FURTHER THAT the relevant date for the determination of applicable price for the issue of the QIP Securities shall be the date on which the Board of the Bank or the appointed Committee thereof decide to open the proposed issue as the case may be (“Relevant Date”).

RESOLVED FURTHER THAT minimum 10% of the equity shares to be issued and allotted under QIP pursuant to Chapter VI of SEBI ICDR Regulations shall be allotted to Mutual Fund(s) and if the Mutual Fund(s) do not subscribe to said minimum percentage or any part thereof, such minimum portion or part thereof may be allotted to other QIBs.

RESOLVED FURTHER THAT such of shares to be issued as are not subscribed may be disposed of by the Board to such persons and in such manner and on such terms as the Board in its absolute discretion thinks fit in accordance with the provisions of law.

RESOLVED FURTHER THAT the Equity shares so issued shall rank *paripassu* with the existing Equity shares of the Bank in all respects.

RESOLVED FURTHER THAT the Equity shares to be offered and allotted to the QIBs shall be in dematerialized form.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity shares the Board or a Committee be and is hereby authorized on behalf of the Bank to do all such acts, deeds, matters and things as it may, in absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of the terms thereof, for entering into arrangements for managing, underwriting, marketing, listing and trading, to issue placement document(s) and to sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Bank to settle all questions, difficulties or doubts that may arise in regard to such offer(s) or issue(s) or allotment(s) as it may, in its absolute discretion, deem fit.

RESOLVED FURTHER THAT the Board or the Committee be and is hereby authorized to appoint the Lead Managers / Co-Managers / Advisors in the

offerings of securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents etc., with Lead Managers / Co-Managers / Advisors and to seek the listing of such securities.

RESOLVED FURTHER THAT the Board be and is hereby authorized to apply for listing of the new Equity shares as may be issued with the BSE Limited and National Stock Exchange of India Limited.

RESOLVED FURTHER THAT the Board be and is hereby authorised to make necessary application(s) to the National Securities Depository Limited and / or Central Depository Services (India) Limited for admission of the above said Equity shares to be allotted on QIP basis.

RESOLVED FURTHER THAT the Board shall have all the powers to modify, reapply, redo, make necessary changes, approach and to do all requisite filings / re-submission of any document(s) and other compliances and to do all such acts and deeds that are necessary to comply with the terms and conditions subject to which approvals, sanction, permission etc., as may be provided by the Stock Exchanges, SEBI, RBI, GOI and any other appropriate authority, without being required to seek any further approval of the members and that the members shall be deemed to have given their approval thereto for all such acts, deeds, matters and / or things expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee / Sub-Committee of the Board or the Managing Director and Chief Executive Officer or any other Officer / Authorised representative of the Bank to give effect to the aforesaid resolution(s).”

7. **To Issue Unsecured Perpetual Debt Instruments (part of Additional Tier I Capital), Tier II Debt Capital Instruments (Subordinated bonds) on a Private Placement basis.**

To consider and if thought fit, to pass with or without modification(s), the following resolutions as **Special Resolutions:**

“**RESOLVED THAT** pursuant to Section 42 and other applicable provisions, if any, of the Companies Act, 2013, Rule 14 and other applicable provisions, if any, of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debenture) Rules, 2014, any other applicable

Rules, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, any other applicable provisions of law, any amendments, modifications, variations or re-enactments thereto from time to time, and the provisions of the Memorandum and Articles of Association of the Bank and subject to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the concerned authorities / regulators / Statutory Authority(ies), including the Reserve Bank of India ("RBI"), the approval of the Members of the Bank be and is hereby accorded to the Board of Directors of the Bank (hereinafter referred to as "Board" and which term shall be deemed to include any committee of the Board or any other persons to whom powers are delegated by the Board as permitted under the Companies Act, 2013 or rules thereunder) for borrowing / raising funds in Indian / Foreign Currency by issue of Unsecured Perpetual Debt Instruments (part of Additional Tier I Capital) including but not limited to non-convertible debentures, Basel III compliant Tier I Bonds and Tier II Debt Capital instruments (subordinated bonds) or such other debt securities as may be permitted under the RBI guidelines, from time to time in domestic and / or overseas market on a private placement basis and / or for making offers and / or invitations therefor and / or for issue(s) / issuances therefor, for a period of one (1) year from the date hereof, in one or more tranches and / or series and under one or

more shelf disclosure documents and / or one or more issues / letters of offer or such other documents or amendments / revisions thereof and on such terms and conditions for each series / tranches including the price, coupon, premium, discount, tenor etc., as deemed fit by the Board, to such person or persons, including one or more companies, bodies corporate, statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension / provident funds and individuals, as the case may be or such other person or persons as the Board may decide so, as per the structure and within the limit permitted by the RBI, of an amount in aggregate not exceeding ₹ 500/- crore (Rupees Five Hundred crore only) within the overall borrowing limits of the Bank."

"RESOLVED FURTHER THAT the Members of the Bank do hereby accord approval to the Board of Directors of the Bank to sign and execute all such documents, deeds and writings and to do all such acts, deeds, matters and things as may be deemed necessary, expedient and incidental thereto with power to settle all questions, difficulties or doubts that may arise with regard to any other said matters, and to delegate all or any of its powers herein conferred to any committee of Directors and / or director(s) and / or officer(s) / employee(s) of the Bank / any other person(s) to give effect to the aforesaid resolution."

By Order of the Board

For **CITY UNION BANK LIMITED**

V. Ramesh

Company Secretary

Place : Kumbakonam

Date : 13th July, 2020

NOTICE

NOTES:

1. In order to follow social distancing norms in respect of Covid-19 pandemic prevalent in the country, the Ministry of Corporate Affairs vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020 and 13th April, 2020 ("collectively referred to as MCA circulars") directed the companies to hold the Annual General Meetings through video conferencing ("VC") / Other Audio Visual Means ("OAVM") only and accordingly the **Annual General Meeting of the Bank will be held through VC/ OAVM only. The physical attendance of members at the AGM venue has been dispensed** and attendance slips are not issued to the shareholders. Also, since AGM will be held through VC / OAVM, the route map is not annexed to this notice.
2. In compliance with the MCA circulars and SEBI circular dated 12th May, 2020, Notice of AGM alongwith the Annual Report 2019-2020 is being sent through electronic mode only to those shareholders whose e-mail addresses are registered with the Bank / Depositories. Members may note that the Annual Report together with Notice shall be available in the website of the Bank and stock exchanges viz. www.cityunionbank.com; www.nseindia.com; www.bseindia.com. The shareholders who have not registered their e-mail id may like to obtain the Annual Report and Notice as per Sl. No.19 below.
3. **Attending e-AGM:** Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by KFin Technologies Private Limited. Members may access the same at <https://evoting.karvy.com> by clicking "e-AGM - Video Conference & Streaming" and access the shareholders'/ members' login by using the remote e-voting credentials which is set out at the end of this notice.
4. The Members can join the e-AGM through "VC / OAVM" 30 minutes before time scheduled for the e-AGM and will be available for members on first-come-first-serve basis by following the procedure mentioned in the Notice.
5. As per the MCA Circular up to 1,000 members will be able to join the e-AGM on a first-come-first-serve basis. However, this restriction shall not apply to large Shareholders (Shareholders holding 2% or more shareholding), Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination Committee, Compensation and Remuneration Committee and Stakeholders Relationship Committee, Statutory Central Auditors etc.
6. A member's log-in to the Video Conferencing platform using the remote e-voting credentials shall be considered for record of attendance of such member for the e-AGM and such member attending the meeting will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. At the time of logging-in to the system to attend the AGM or during the course of AGM, if a member loses the connection, the same shall not be a ground for complaint.
8. **The Chairman reserves the right to limit the number of Members asking questions depending on either the availability of time or live streaming concerns or any other unforeseen situations if any, at the time of AGM.**
9. **PROXY**
Since the AGM is being conducted through VC / OAVM, the facility of Proxy form is not applicable.
10. **EXPLANATORY STATEMENT**
The relative explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the relevant Ordinary Business and for all the Special Business is annexed hereto.
11. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG format) of its Board or governing body Resolution / Authorization etc., authorizing its representative to attend the e-AGM on its behalf and to vote either through remote e-voting or during the e-AGM. The e-mail may be sent directly to the scrutinizer at scrutinizer@cityunionbank.in with a copy marked to RTA at evoting@kfintech.com.
12. In terms of Section 108 of the Companies Act, 2013 read with the Rules made there under and Regulation 44 of the SEBI Listing Regulations, the Bank is providing remote e-voting facility to its members holding shares in physical / de-mat mode, as on the cut-off date. The detailed procedure is set out at the end of this notice.
13. All relevant documents referred to in this Notice requiring the approval of the members at the meeting shall be available for inspection by the members at the registered office of the Bank on all working days between 10:00 a.m. to 12:00 noon upto the date of AGM. However, members seeking to inspect are requested to drop an e-mail to shares@cityunionbank.in.

14. MULTIPLE FOLIOS

If any shareholder is holding more than one folio for the same set of names, the shareholder(s) concerned may please write to the Registrars and Share Transfer Agents of the Bank M/s KFin Technologies Private Limited, Hyderabad (RTA), so that their holdings can be consolidated into one folio. This would help the shareholder(s) concerned to effectively monitor their holdings.

15. DEMATERIALIZATION OF SHARES

The shares of the Bank have been traded compulsorily in dematerialized form with effect from 25th June, 2001 in the Stock Exchanges. The shareholders who have not so far dematerialized their shares are requested to do so in their own interest having regard to the safety and benefits attached thereto. Further, SEBI has notified that, any investor who is desirous of transferring shares (which are held in physical form) after 01st April 2019 can do so only after shares are dematerialized.

16. UNCLAIMED DIVIDENDS / SHARE TRANSFERRED TO IEPF AUTHORITY

In terms of the relevant provisions of Section 124 and 125 of the Companies Act, 2013 and the relevant Rules of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, the unclaimed dividend and the underlying equity shares of the Bank for FY 2011-12 has been transferred to IEPF authority.

The unclaimed dividend for FY 2012-13 will be transferred to IEPF authority and also the underlying shares pursuant to aforesaid provisions. For details on year wise unclaimed dividends to be transferred / shares already transferred to IEPF, kindly refer to the Corporate Governance section of the Annual Report. The shareholders are requested to contact RTA / Bank for claiming their unclaimed Dividend and / or shares transferred to IEPF Authority and also visit the website of the Bank in this regard.

Further, the dividend warrants if any, lying with the shareholders in respect of such period(s) have to be submitted for revalidation to the Company Secretary, City Union Bank Limited, "NARAYANA", Administrative Office, No. 24-B, Gandhi Nagar, Kumbakonam - 612 001.

17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to our RTA.

18. The shareholders are requested to update their Bank ECS Mandate by way of submitting duly signed copy of PAN card along with cancelled cheque leaf with the Bank / RTA or with their respective Depository Participant (DP).

19. Procedure for registering the email addresses and obtaining the Annual Report, e-AGM notice and e-voting instructions by the shareholders whose e-mail addresses are not registered with the Depositories (in case of shareholders holding shares in Demat form) or with RTA (in case of the shareholders holding shares in physical form)

Those members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:

- i. Members holding shares in demat form can get their e-mail id registered by contacting their respective Depository Participant.
- ii. Members holding shares in physical form can register their email address and mobile number with Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited by sending an e-mail request at the email id einward.ris@kfintech.com along with signed scanned copy of the request letter providing the email address, mobile number, self-attested PAN copy and copy of share certificate for registering their email address and receiving the Annual report, AGM Notice and the e-voting instructions.
- iii. Those members who have not registered their email addresses with the Bank / RTA Depository Participants, as the case may be, are requested to provide their email address to KFin Technologies Pvt. Ltd., for temporary registration of email id for e-AGM on or before 5:00 pm (IST), till 31st July, 2020 and follow the procedure hereunder.

Process to be followed for registration of e-mail addresses with KFin Tech for receiving the Notice of AGM and login id and password for e-voting is as under:

- i. Visit the link https://ris.kfintech.com/email_registration/
- ii. Select the company name "City Union Bank"
- iii. Enter the DP ID-Client ID / Folio No. and PAN No. In the event of PAN details are not available in the records, shareholder to enter one of the Certificate No.
- iv. If PAN is not registered, system will prompt to upload the duly signed scan copy of the PAN.
- v. Shareholder to enter the email id and Mobile No.
- vi. System shall check the authenticity of the DP ID-Client ID / Folio and PAN and send the different OTPs to Mobile and Email to Validate.
- vii. Shareholder to enter the OTPs received by SMS and Email to complete the validation process. (OTPs will be valid for 5 min. Only).
- viii. System confirms the email id for the limited purpose of serviced notice.
- ix. System will send the notice & procedure for e-voting to the email given by shareholder.
- x. In case of any queries, shareholder may write to inward.ris@kfintech.com.

EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013 and Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Item No. 2:

The Board of Directors of the Bank at its meeting held on 19th March, 2020, declared an Interim Dividend of ₹ 0.50 paise per equity share of face value of ₹ 1/- each fully paid up, for the Financial Year 2019-2020. The payment of the Interim Dividend commenced on 29th March, 2020. The Members are now requested to confirm the payment of such Interim Dividend for FY 2019-2020.

Members may also note that in light of the Reserve Bank of India (RBI) circulated dated 17th April, 2020, all Banks were directed not to make dividend pay-outs pertaining to the Financial Year ended 31st March, 2020 until further instructions from the RBI, with a view that Banks must conserve capital in an environment of heightened uncertainty caused by COVID-19. Accordingly, the Board of Directors of the Bank has, as of now, not proposed any final dividend for the Financial Year ended 31st March, 2020.

The Directors and Key Managerial personnel of the Bank and their relatives may be deemed to be concerned or interested in the passing of this resolution, to the extent of dividend received as per their respective shareholding, if any, in the Bank.

The Board recommends the passing of the Resolution in Item No.2 of the accompanying Notice.

Item No.3

Explanatory Statement for this Ordinary Business Item is not required under the provisions of the Companies Act, 2013. However the explanatory statement is being given pursuant to the provisions of SEBI Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

The Members of the Bank in their meeting held on 29th August, 2019 appointed M/s Sundaram & Srinivasan, Chartered Accountants, Chennai as the Statutory Central Auditors of the Bank to hold the office until the conclusion of the ensuing Annual General Meeting of the Bank ('AGM').

The RBI vide its letter no.DOS. ARG.No.PS-13/08.13.005/2019-20 dated 17th June, 2020, approved the appointment of M/s Sundaram & Srinivasan, Chartered Accountants, Chennai (Firm Registration no.004207S) to act as Statutory Central Auditors for FY 2020-21.

The Board has recommended the appointment of M/s Sundaram & Srinivasan, Chartered Accountants, Chennai for a fourth term to hold the office from the

conclusion of the ensuing AGM until the conclusion of the next AGM of the Bank on a remuneration / fees of ₹ 33 Lacs for conducting Statutory Audit, Tax Audit & LFR and other Certification matters prescribed by the Regulators at its head office, branches and other offices, plus goods and service tax as applicable, and reimbursement of out of pocket expenses that may be incurred by them during the course of Audit. Further, the above fees/ remuneration may vary depending upon the number of branches taken up for Audit by the Statutory Central Auditors for a financial year (including new branches opened, if any during FY 2021) and also on account of any other special assignments handled by them as per the requirements of Regulators, Statutory Authority or otherwise.

The Statutory Auditors have confirmed their eligibility to be appointed as Statutory Central Auditors in terms of Section 141 and Section 139 of the Companies Act, 2013 and other applicable rules.

Brief Profile: M/s Sundaram & Srinivasan, Chartered Accountants was founded in the year 1943 at Chennai by Shri. T.C. Minakshi Sundaram and Shri. K. V. Srinivasan. The firm has rich experience in diverse industrial segments viz., Banking, Insurance, Telecommunication, Automation etc. The head office is located at Alwarpet, Chennai and has branches at Madurai and Bengaluru.

Approval of the members is sought for the appointment of M/s. Sundaram & Srinivasan as Statutory Central Auditors and fixation of remuneration including authorization to the Audit Committee and the Board of Directors to revise the remuneration of the Auditors, in consultation with the Auditors, pursuant to the complexity and volume of the assignments, during the course of audit.

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

The Board recommends the Resolution set out at Item No.3 of the Notice for approval by members.

Item No.4

In terms of the provisions of Companies Act, 2013 and the Rules, if any, made there under, the Branch Offices of the Bank have to be audited either by Statutory Central Auditors or other qualified Auditors as a regular audit work on a yearly basis. Accordingly, Bank intends to entrust the Audit of its Branch Offices either to the Statutory Central Auditors or to other qualified Auditors in consultation with Statutory Central Auditors on such remuneration and on such terms and conditions as the Board deems fit based on the recommendations of the Audit Committee of the Board.

NOTICE

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

The Board recommends the Ordinary Resolution set out at Item No.4 of the Notice for approval by members.

Item No.5

The Reserve Bank of India vide its e-mail communication dated 20th April, 2020 approved a revision in remuneration for Dr. N. Kamakodi, MD & CEO of the Bank w.e.f. 1st May, 2019 and a variable pay for FY 2018-2019 as below.

A. Revision in Fixed Pay w.e.f. 1st May 2019 and Variable Pay for FY 2018-2019 for Dr. N. Kamakodi, MD & CEO of the Bank
i. Revision in Fixed Pay w.e.f. 1st May 2019

Sl.No.	Particulars	Revised pay w.e.f., 1 st May 2019
	SALARY	
01	Fixed pay	₹ 87 lacs per annum.
	PERQUISITES	
02	House Rent Allowance	Provision for free furnished accommodation or 12% of fixed pay per month
03	Entertainment Allowance	On actual basis and subscriptions to 2 clubs.
04	Medical aid including hospitalization	Reimbursement of actual medical expenses for self, spouse, dependent children and parents.
05	Subscription to Newspapers / Journals	Reimbursement of actual expenses incurred on subscription to Newspapers & Magazines including e-journals and other media as required.
06	Travelling & Halting including Boarding Allowances	Reimbursement of actual travelling expenses i.e., if by train equivalent to the highest class / by air equivalent to the highest class plus any other transport and incidental expenses incurred while undertaking business travel.
07	Telephone, mobile and internet facility	Reimbursement on actual basis.
08	Education allowance for children	Reimbursement of expenses on actual basis for two children subject to a maximum of ₹ 15.00 lacs for two children on production of original bill receipts.
09	Leave	As applicable to other Executives of the Bank
10	Encashment of Privilege Leave	As applicable to other Executives of the Bank
11	Leave Fare Concession	Once in a year anywhere in India or outside India for self and family by eligible class including incidentals.
12	Provident Fund	Bank's contribution to provident fund at 10% of the Basic pay
13	Pension	As applicable to other Executives of the Bank

Sl.No.	Particulars	Revised pay w.e.f., 1 st May, 2019
14	Gratuity	As applicable to other officer of the Bank. However, as and when actual payment is proposed to be made, prior approval of RBI should be obtained.
15	Superannuation medical benefits	The Bank will reimburse the actual hospitalization and other medical expenses or pay the full premium under suitable medical insurance plan for him and dependent family members.
16	Conveyance	Free use of two Bank's car with driver for official purposes. If the car is used for private purposes, the MD & CEO should reimburse the Bank @ ₹ 250/- per month for journeys not exceeding 750 kms in a month. Charges for private use of Bank's car beyond 750 kms limit will be recoverable from the MD & CEO @ 60% of the rate fixed by Regional Transport Authority.
17	Insurance cover	For journeys by air, rail or road on official purposes, the MD & CEO will be provided with insurance cover of ₹ 2,00,00,000/-

ii. Variable Pay of ₹ 30,00,000/- for FY 2018-2019.

B. Re-appointment of Dr. N. Kamakodi as MD & CEO of the Bank w.e.f. 1st May 2020 and Remuneration thereof

The Reserve Bank of India vide its circular No.DOR.Appt.BC.No.23/29.67.001/2019-20 dt. 4th November, 2019 issued guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff to be applicable w.e.f 1st April, 2020.

As per the aforesaid circular and considering the tenure of Dr. Kamakodi, the Bank made an application to RBI seeking its approval for the re-appointment of Dr. N. Kamakodi as the MD & CEO of the Bank w.e.f. 1st May, 2020 together with remuneration structure in tune with the revised guideline. In response to the application made by the Bank, the RBI vide its communication dated 20th April, 2020, accorded its approval for the re-appointment of Dr. N. Kamakodi as the Managing

Director & CEO of the Bank w.e.f. 1st May, 2020 for a period of 3 (three) years. The appointment is in conformity with the provisions of Section 35B of the Banking Regulation Act, 1949 and Article 26 of the Articles of Association of the Bank and the relevant provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, including any modifications or re-enactments thereof for the time being in force. The remuneration payable to Dr. Kamakodi w.e.f. 1st May, 2020 is subject to the approval of RBI as per the revised guideline.

Save and except Dr. N. Kamakodi and his relatives, none of the Directors and Key Managerial Personnel and their relatives are concerned or interested in this resolution.

The Board recommends the Resolution set out at Item No.5 of the Notice for approval by members as an Ordinary Resolution.

Additional Details pursuant to Regulation 26(4) and 36 (3) of SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015 and Secretarial Standard issued by ICSI.

Name of the Director	Dr. N. Kamakodi (DIN 02039618)
Father's Name	V. Narayanan
Date of Birth / Age	26 th July, 1974 / 45

Qualification	B Tech., MBA, CAIIB, Ph.D
Brief resume including experience	Dr. N. Kamakodi is qualified as B.Tech, MBA, CAIIB and Ph.D. He started his career as a production engineer with Reliance Industries Ltd., at the Hazira Project, Gujarat and continued there till the year 1998. Thereafter he joined the Chinese University of Hongkong to pursue his MBA degree. After completing MBA, he conceived and developed an off-shore BPO unit in the year 2000 and was associated till the year 2003. In the year 2003, he joined City Union Bank as Deputy General Manager-HR and elevated to the position of General Manager in charge of Credit during April 2005. In September, 2006, he took charge as Executive Director of the Bank and in January 2011 he was re-designated as Executive President. In May, 2011, he assumed charge as MD & CEO of the Bank. Within a span of 17 years, he has demonstrated his skill and ability to achieve major developments in the Bank that included rapid branch expansion, high growth trajectory, introduction of Employee Stock Option Schemes and adoption of technology to take the bank almost on par with the high tech Banks in the industry.
Expertise	Banking
Date of appointment in the Bank (in current term)	1 st May, 2020. However, he was initially appointed as MD & CEO of the Bank by the RBI on 1 st May, 2011.
Relationship with other Directors or Key Managerial Personnel of the Bank	Nil
Membership in Board committees	Refer Corporate Governance section forming part of Annual Report 2019-2020.
Other outside Directorships held	Nil
Remuneration sought to be paid	To be approved by RBI & agreed to by the Board and which is subject to the approval of the shareholders.
Remuneration last drawn	₹2,86,09,383/- (inclusive of perquisite income)
Number of Board meetings attended during the year	14 Board meetings were held during FY 2019-2020 and all meetings were duly attended by Dr. Kamakodi.
Equity Shareholding	22,37,150

Item No.6

The present Authorized Capital of the Bank is ₹ 100 crore and the Issued and Paid up Capital is ₹73.73 crore divided into 73,73,19,221 fully paid equity shares of ₹1/- each. The net worth of the Bank at the end of Financial Year 2019-20 stood at ₹5,253 crore.

As per statutory guidelines, the special resolution has a validity period of 365 days and that if this agenda is

approved by the members by way of a special resolution, practically the Bank can raise funds through QIP at shorter notice as a matter of operational convenience. It is in this context, the Bank had been seeking shareholders approval with an enabling resolution to go for QIP issue almost every year.

Though we sought shareholders approval in earlier years, we utilized it only once during July 2014 considering the capital requirements and market trend. Similarly, we

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now seek the members approval for QIP issue upto ₹ 600 crore (Rupees Six Hundred crore only) including premium. It will be used judiciously at appropriate time depending upon the need and opportunity available.

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

The proposed resolution is in the best interests of the Bank and hence the Directors recommend passing of resolution set out under Item No.6 as a Special Resolution.

Item No.7

Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 provides that a company can make Private Placement of securities subject to the condition that such subscription of securities has been previously approved by the shareholders of the company, by a special resolution, for each of the offers or invitations. In case of offer or invitation for subscription of non-convertible debentures (NCDs), it shall be sufficient if the company passes a special resolution only once in a year for all the offers or invitations for subscription of such debentures during the year.

The RBI guidelines also enable the Banks to raise Capital funds (Tier I and Tier II) from the market. Keeping in view the projections of the Bank's operations, the Bank may need to raise additional funds in one or more tranches in domestic / foreign market in the form of capital to maintain a healthy CRAR by way of issue of Unsecured Perpetual Debt Instruments (part of Additional Tier I Capital) including but not limited to non-convertible debentures, Basel III compliant Tier I and Tier II bonds or such other debt securities as may be permitted under the RBI guidelines, from time to time in domestic and / or overseas market on a private placement basis, and / or for

making offers and / or invitations thereof and / or issue(s) / issuance(s) thereof, during the period of one (1) year from the date of passing of the special resolution.

Considering the above, Board of Directors vide resolution dated 13th July, 2020 has approved to seek the consent of the members of the Bank for enabling the Board of the Bank for borrowing / raising funds in Indian / Domestic Currency by issue of Unsecured Perpetual Debt Instruments (part of Additional Tier I Capital) including but not limited to non-convertible debentures, Basel III compliant Tier I and Tier II bonds or such other debt securities as may be permitted under the RBI guidelines, from time to time in domestic and / or overseas market in one or more tranches as per the structure and within the overall limits permitted by RBI and other regulatory authorities to eligible investors of an amount not exceeding ₹ 500 crore (Rupees Five Hundred crore only), on a private placement basis during the period of one (1) year from the date of passing of the special resolution. The said debt securities would be issued by the Bank for cash, either at par or premium or at a discount to face value depending upon prevailing market conditions and on such other terms and conditions including the price, coupon, premium / discount, tenor etc., as may be determined by the Board subject to extant regulations / guidelines as may be applicable and that the approval of shareholders will be used judiciously at **appropriate time depending upon the need and opportunity available**. This would form part of the overall borrowing limits of the Bank.

None of the Directors, Key Managerial Personnel and their relatives are interested in the passing of the above resolution.

The proposed resolution is in the best interests of the Bank and hence the Directors recommend passing of resolution set out under Item No.7 as a Special Resolution.

By Order of the Board
For **CITY UNION BANK LIMITED**

V. Ramesh
Company Secretary

Place : Kumbakonam
Date : 13th July, 2020

REMOTE e-VOTING INSTRUCTIONS

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with **Rule 20 of the Companies (Management and Administration) Rules, 2014** as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015, the Bank is pleased to offer remote e-voting facility to its Members to exercise their right to vote at the ensuing Annual General Meeting (AGM) by electronic means in respect of the businesses to be transacted at the AGM, through the remote e-voting platform provided by “KFin Technologies Private Limited”.

Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their rights at the meeting.

- i. The remote e-voting facility will be available during the following period:
 - a) Day, date and time of commencement of remote e-voting: **Monday, the 10th August, 2020 at 9:00 a.m.**

- b) Day, date and time of closure of remote e-voting beyond which remote e-voting will not be allowed: **Thursday, the 13th August, 2020 at 5:00 p.m.**
- ii. The voting rights of the Members holding shares in physical form or in dematerialized form, in respect of e-voting shall be reckoned in proportion to their shares of the paid up equity share as on the cut-off date being **31st July, 2020**.
- iii. Any person who acquires shares of the Bank and become Member of the Bank after the dispatch of the AGM Notice through Electronic means and holds shares as on the cut-off date i.e. **31st July, 2020** may obtain the User Id and password in the manner as mentioned below:
 - a) If the mobile number of the member is registered against Folio No. / DP ID - Client ID, the Member may send SMS: MYEPWD<space> E-voting Event Number + Folio number or DP ID - Client ID to +91-9212993399

Example for NSDL:	Example for CDSL:	Example for Physical:
MYEPWD<SPACE>IN12345612345678	MYEPWD<SPACE>1402345612345678	MYEPWD<SPACE>(EVENTNO)XXXX1234567890

- b) If e-mail address or mobile number of the member is registered against Folio No. / DP-ID Client ID, then on the home page of <https://evoting.karvy.com>, the Member may click "Forgot Password" and enter Folio No. or DPID - Client ID and PAN to generate a password.
- c) Member may call KFin Tech's Toll free number 1-800-3454-001.
- d) Member may send an e-mail request to evoting@kfintech.com
- iv. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy upon expiry of aforesaid period.
- v. Details of persons to be contacted for issues relating to e-voting:

Mr. Sri Sai Karthik Tikki sethi, KFin Technologies Private Limited, (Unit: CITY UNION BANK LTD.), Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad -

500 032, Tel. No.: +91 40 67162222/ 79611000, Toll Free No.: 18003454001, Fax No.: +91 40 2 3 4 2 0 8 1 4 , E - mail : karthik.tikkiseti@kfintech.com ; evoting@kfintech.com.

- vi. **Details of Scrutinizer: M/s B. K Sundaram & Associates, Practicing Company Secretaries 30, Pandamangalam Agraharam, Woruri, Tiruchirapalli - 620 003.**
- vii. The procedure and instructions for remote e-voting facility are as follows:
 - A. In case of shareholders receive email from Karvy:
 - i. Open your web browser during the voting period and navigate to <https://evoting.karvy.com>
 - ii. Enter the login credentials (i.e. User ID and password mentioned in the email). Your Folio No. / DP ID - Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

- iii. After entering these details appropriately, click on "LOGIN".
- You will now reach password change menu wherein they are required to mandatorily change your login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (like *, #, @, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc., on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- iv. You need to login again with the new credentials.
- v. On successful login, the system will prompt you to select the EVENT for City Union Bank.
- vi. If you are holding shares in de-mat form and had logged on to <https://evoting.karvy.com> and casted your vote earlier for any other company, then your existing login id and password are to be used.
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date i.e. **31st July, 2020** under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR / AGAINST" taken together should not exceed your total shareholding as on the cut-off date.
- viii. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- ix. Members holding multiple folios / de-mat accounts shall choose the voting process separately for each of the folios / de-mat accounts.
- x. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- xi. You may then cast your vote by selecting an appropriate option and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote.
- xii. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xiii. **Corporate / Institutional Members (i.e. other than Individuals, HUF, NRIs, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at e-mail ID: scrutinizer@cityunionbank.in with a copy to evoting@kfintech.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."**
- B. 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 <https://evoting.karvy.com> or contact Mr. Sri Sai Karthik Tikkiseti - Manager - Corporate Registry, KFin Technologies Private Limited, Hyderabad. Contact No. 040-6716 2222/ 7961 1000, Toll Free No.: 18003454001, E-mail: karthik.tikkiseti@kfintech.com.
- C. The Scrutinizer's decision on the validity of the vote shall be final.
- D. Once the vote on a resolution stated in this notice is cast by shareholder through remote e-voting, the shareholder shall not be allowed to change it subsequently and such e-vote shall be treated as final. The Members who have cast their vote by remote e-voting may also attend the e-Meeting, however such member shall not be allowed to vote again.
- E. The Scrutinizer after scrutinizing the votes cast through remote e-voting will make a consolidated Scrutinizer's Report and submit the same forthwith not later than two days of conclusion of the Meeting to the Chairman of the Bank or a person authorised by him in writing, who shall countersign the same.

- F. The Results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Bank (www.cityunionbank.com) and on the website of Karvy (<https://evoting.karvy.com>). The results shall simultaneously be communicated to BSE Limited and the National Stock Exchange of India Limited.
- G. **Instructions for members for Voting during the e-AGM session:**
- i. E-voting during the AGM is integrated with the VC / OAVM platform and no separate login is required for the same. The shareholders shall be guided on the process during the e-AGM.
 - ii. The e-voting window shall be activated upon instructions of the Chairman during the e-AGM.
 - iii. Members / shareholders, attending the e-AGM through Video Conference and who have not cast their vote on resolutions through Remote e-Voting shall be eligible to cast their vote through e-voting system available during the e-AGM.
 - iv. Members who have voted through Remote e-Voting will be eligible to attend the e-AGM, however, they shall not be allowed to cast their vote again during the e-AGM.

Instructions to the Members for attending the e-AGM through VC / OAVM

- i. Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by KFin Technologies Private Limited. Members may access the same at <https://evoting.karvy.com> or by clicking 'e-AGM Video Conference and Streaming' and login by using the remote e-voting credentials. The link for e-AGM will be available in 'shareholders' / members' login where the EVENT and the Name of the Company can be selected.
- ii. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the instructions provided in remote e-Voting above.
- iii. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
- iv. Further Members will be required to allow access to the Camera, if any, and are requested to use Internet with good speed to avoid any disturbance during the meeting.
- v. Please note that participants using Mobile Devices or Tablets or Laptops and are accessing the internet via "Mobile Hotspot" may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- vi. Members who need assistance before or during the e-AGM may contact Mr. Sri Sai Karthik Tikkiseti - Manager - Corporate Registry, KFin Technologies Private Limited, Ph. 040-6716 2222/7961 1000, Toll Free No.: 1 8 0 0 3 4 5 4 0 0 1, E - mail: karthik.tikkiseti@kfintech.com.
- vii. **Submission of Questions / queries prior to e-AGM:**
Members desiring any additional information with regard to Accounts / Annual Reports or
has any question or query are requested to write to the Company Secretary on the email-id shares@cityunionbank.in at least 2 days before the date of the e-AGM so as to enable the Management to keep the information ready. Please note that, members questions will be answered only if they continue to hold the shares as of cut-off date.
- viii. Alternatively, shareholders holding shares as on cut-off date may also visit <https://evoting.karvy.com> and click on the tab "Post Your Queries Here" to post their queries / views / questions in the window provided, by mentioning their name, demat account number / folio number, email ID and mobile number. The window shall be activated during the remote e-voting period (that is 10th August 2020, 9.00 am) and shall be closed 24 hours before the time fixed for the e-AGM (that is 13th August 2020, 5.00pm).
- ix. **Speaker Registration before e-AGM :**
In addition to above speaker registration may also be allowed during the remote e-voting period. Shareholders who wish to register as speakers are requested to visit <https://evoting.karvy.com/> and click on 'Speaker Registration' during this period. Shareholders shall be provided with a 'queue number' before the e-AGM. Shareholders are requested to remember the same and wait for their turn to be called by the Chairman of the meeting during the Question & Answer Session. Due to limitations of transmission and coordination during the e-AGM, the Company may have to dispense with or curtail the Speaker session; hence shareholders are encouraged to send their questions etc. in advance in the manner advised above.
- x. **Speakers are requested to keep their questions/ clarifications on the business items as short as possible and to the point.**



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