



CITY UNION BANK LIMITED

Registered Office : 149 T.S.R. (Big) Street, Kumbakonam -612 001

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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 Wednesday the 11th August, 2010 at 10.30 a.m. at "Raya Mahal", 45-46, Gandhi Adigal Salai, Kumbakonam – 612 001 to transact the following business.

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet and Profit & Loss Account for the year ended 31st March 2010, the Director's Report and the Auditor's Report thereon.
2. To declare dividend for the year 2009-2010.
3. To appoint a Director in the place of Shri. K.S. Raman, who retires by rotation and being eligible, seeks re-election.
4. To appoint a Director in the place of Shri. S. Bernard, who retires by rotation and being eligible, seeks re-election.
5. To appoint a Director in the place of Shri. N. Kantha Kumar, who retires by rotation and being eligible, seeks re-election.
6. To appoint a Director in the place of Shri. T. K. Ramkumar, who retires by rotation and being eligible, seeks re-election.
7. To appoint Auditors and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution.

"RESOLVED THAT M/s. Jagannathan & Sarabeswaran, Chartered Accountants, Chennai be and are hereby re-appointed as Auditors of the Bank to hold office from the conclusion of this meeting, till the conclusion of the next Annual General Meeting on a remuneration and out of pocket expenses, if any, to be fixed by the Board of Directors, on the recommendation of the Audit Committee of the Board".

AS SPECIAL BUSINESS :

8. To consider and if thought fit, to pass with or without modification/s the following resolution as an Ordinary Resolution.

RESOLVED THAT in terms of Section 228 of the Companies Act, 1956, the Board of Directors be and is hereby authorized, to appoint the Branch Auditors for audit of all branches / offices of the bank for the year 2010-2011 in consultation with Bank's Statutory Central Auditors and fix their remuneration.

9. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution.

RESOLVED THAT Justice. S. R. Singaravelu be and is hereby appointed as a Director of the Bank, liable to retire by rotation.

10. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution.



RESOLVED THAT Shri. C.R. Muralidharan be and is hereby appointed as a Director of the Bank, liable to retire by rotation.

11. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution

"RESOLVED THAT pursuant to Sec. 31 and other applicable provisions of the Companies Act, 1956, the Articles of Association of the Company be and is hereby amended to incorporate the following Article as Article No.4(vi) of the Articles of Association.

Subject to the applicable provisions of the Foreign Exchange Management Act, (1999) (FEMA), the Companies Act 1956, and all other applicable Laws, Rules, Guidelines (including any statutory modification or re-enactment thereof for the time being in force) and subject to all applicable approvals and permissions and sanctions and subject to such conditions as may be prescribed by the concerned authorities while granting such approvals, permissions and sanctions, the Registered FIIs, FDIs and NRIs can purchase or acquire the shares of the Bank subject to the condition that the individual holding of the above entities shall not exceed 5% of the paid up capital of the Bank and the total holding of the FIIs, FDIs and NRIs put together shall not exceed 30% of the paid up capital of the Bank within which the holdings of all NRIs shall not exceed 24% of the paid up capital of the bank.

While allotting further shares and / or transferring or transmitting the Shares of the company the Board of Directors shall have the power to exercise its right of refusing/ rejecting / restricting allotment of further shares and / or transfer or transmission of the shares to one or more persons or entities despite the provisions contained in Sec. 81, 108 to 111 and other applicable provisions of the Companies Act, 1956 and any modifications thereof, for the purpose of complying with the restrictions contained in the foregoing paragraph of this Article."

12. To consider and if thought fit, to pass with or without modification/s the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to Sec. 31 and other applicable provisions of the Companies Act, 1956, the existing Article No. 27 (xix) be and is hereby renumbered as Article 27(xx) and the following Article be and is hereby inserted as Article 27(xix) of the Articles of Association of the Bank.

27(xix)

(A) The Board of Directors may at any time and from time to time constitute one or more Committees consisting of such numbers of Directors of the Bank for such purposes and with such powers, duties, authorities and responsibilities and for such periods subject to such conditions as the Board of Directors may think fit and proper and reconstitute or disband one or more or all such Committees so constituted by the Board.

(B) By virtue of the powers conferred on the Board under Article 27(xix)(A) supra, a "Nomination Committee or such other designated Committee" to be constituted by the Board or the Board itself shall undertake a process of due diligence to determine the suitability of the person for appointment/ re-appointment as a Director based upon qualification, expertise, track record, integrity and other fit and proper criteria as may be laid down / to be laid down by the Nomination Committee or the Board of Directors taking into consideration the relevant provisions of the applicable statutes, Regulatory guidelines and Rules framed thereunder.

In determining the suitability of the candidate, the said Committee or the Board of Directors shall have

the power to accept or reject any nomination based on 'fit and proper criteria' and such decision shall be final."

- 13 To consider and if thought fit, to pass with or without modification/s the following resolution as a Special Resolution

RESOLVED THAT pursuant to Section 81 (1A) and all other applicable provisions of the Companies Act, 1956 (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 Listing Agreements entered into with the Stock Exchanges and subject to the provisions of Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, the provisions of the (Foreign Exchange Management Act, 1999) Regulations 2000 applicable rules, regulations, guidelines or laws and/or any approval, consent, permission or sanction of the Central Government, Reserve Bank of India 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 have constituted or Board be and is hereby authorized, to offer, issue and allot, by way of Qualified Institutional Placement (QIP), to Qualified Institutional Buyers (QIB), in terms of Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, whether or not such investors are existing members of the Bank, through one or more placements to raise an amount not exceeding Rs. 300 crores by issue of Equity Shares of Re. 1/- each at such price or prices including premium on each share, as the Board or the appointed Committee thereof may determine in accordance with the Guidelines and where necessary in consultation with Lead Managers and / or other Advisors.

RESOLVED FURTHER THAT the QIP issue shall be completed within 12 months from the date of this resolution.

RESOLVED FURTHER THAT the allotment to each Qualified Institutional Buyer (QIB) in the proposed QIP issue will not exceed 5% of the post issue paid-up capital of the Bank.

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 decide to open the proposed issue, or the date on which the holder of the securities which are convertible into or exchangeable with equity shares at a later date becomes entitled to apply for the said shares, as the case may be ("Relevant Date")

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 pari passu 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 Manager in 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 Manager and to seek the listing of such securities

RESOLVED FURTHER THAT the Bank to apply for listing of the new Equity Shares as may be issued with the Madras Stock Exchange Limited, Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

RESOLVED FURTHER THAT the Bank do make an application 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 be and is hereby authorized to delegate all or any of the powers herein conferred to the any committee of Directors or the Managing Director and Chief Executive Officer or any other officer/Authorised representative of the Bank to give effect to the aforesaid resolution.

By order of the Board
For CITY UNION BANK LIMITED

Chennai
29.06.2010

V. Ramesh
AGM & Company Secretary

Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his behalf only on a poll and such proxy need not be a member. The proxy forms, duly stamped and completed should reach the Registered Office of the Bank at least 48 hours before the time fixed for the commencement of the meeting.
2. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 relating to item nos.8 to 13 is annexed here to.
3. The dividend on the Equity Shares as recommended by the Board will be paid on the approval of the members of the bank to the eligible Equity Shareholders whose names appear in the Bank's Register of Members as on 11th August, 2010 and to the eligible beneficial owners whose names appear in the list provided by the Depositories, National Securities Depositories Limited and Central Depository Services (India) Limited as on 25.07.2010.



4. The Register of Members and Share Transfer Books will remain closed from 26-07-2010 to 11-08-2010 (both days inclusive).

5. Bank account details:-

The Shareholders of the Company holding shares in physical form are hereby informed that it is mandatory to incorporate the bank account particulars of the shareholders in the dividend warrant. The shareholders who have not furnished the bank account details are requested to inform the Company's Registrars and Share Transfer Agents, their respective bank account no. with full name of the bank and branch, nature of the account, which would enable the Registrars and Share Transfer Agents to print the Bank Mandate particulars on the dividend warrants. These details may be sent to the Company's Registrars and Share Transfer Agents so as to reach them by 25.07.2010.

Shareholders holding shares in electronic form should note that the bank particulars furnished by them to their Depository Participant will be used while printing the dividend warrant. Hence, the shareholders who have not furnished the bank account details are requested to contact their Depository Participant for updating the particulars.

6. Members are requested to notify changes, if any, in their addresses, immediately to our Share Transfer Agents, Integrated Enterprises (India) Limited, Kences Towers, Second Floor, No.1, Ramakrishna Street, Off-North Usman Road, T. Nagar, Chennai - 600 017 giving full addresses in block letters with PIN CODE.
7. Members are requested to quote the folio of the Register of Members/Client ID & DPID number in all their correspondence.
8. Members are requested to bring with them the enclosed attendance slip and hand it over duly signed by them at the entrance of the Meeting Hall.
9. Shareholders who happen to hold shares in identical orders of names in different folios of the Register of Members are requested to write to the Bank, enclosing their share certificates, to enable the Bank to consolidate their holdings.
- 10 Pursuant to Section 205A of the Companies Act, 1956, the dividend amounts which have remained unclaimed for a period of seven years, will be transferred to "Investor Education and Protection Fund" a Fund established by the Central Government, in terms of Section 205C of the Companies Act, 1956, and members /beneficial owners can not make any claim for the dividend once amounts in the unclaimed dividend account are transferred to such Fund. Accordingly, the amount of Dividend Warrants issued to the members in the year 2003 (pertaining to the year 2002-03), which have remained unclaimed will be transferred to "Investor Education and Protection Fund" established by the Central Government and members/beneficial owners cannot make any claim for the dividend.

The Bank had already transferred Unclaimed Dividend for the financial years 1999-2000, 2000-2001 and 2001-2002 to the Investor Education & Protection Fund established by the Central Government, in terms of Section 205C of the Companies Act, 1956, and the members/beneficial owners cannot make any claim for the dividend.

Members who have not yet encashed the amount of Dividend Warrants issued to them in 2004, 2005, 2006, 2007, 2008 (I & F) and 2008-2009 (pertaining to the years 2003-04, 2004-05, 2005-06, 2006-07, 2007-08(I & F) and 2008-2009) are requested to send the same to the Registered Office for revalidation

and encashment at any of our branches.

Additional information pursuant to Clause 49 of the listing agreement with National Stock Exchange of India Limited, Mumbai & Bombay Stock Exchange Limited, Mumbai in respect of the Director seeking re-election.

Item No. 3

Shri. K.S. Raman, aged 68 years, is a post graduate in Statistics. He is an Agriculturist and has special knowledge in Agriculture. Shri. K.S. Raman is holding 420000 shares of the bank.

Item No.4

Shri.S. Bernard, aged 59 years is a graduate in Commerce and a Fellow Member of the Institute of Chartered Accountants of India. He is a practicing Chartered Accountant. He is having wide experience in Accountancy. Shri. S. Bernard is holding 1995 shares of the bank.

Item No.5

Shri. N.Kantha Kumar, aged 64 years, is a graduate in Commerce and Law and has special knowledge and practical experience in Banking. He has retired as Chairman & Managing Director of Syndicate Bank. Shri.N. Kantha Kumar is holding 2560 shares of the bank.

Item No. 6

Shri. T.K. Ramkumar, aged 54 years is a graduate in Commerce and he is a practicing Advocate. He is a partner in M/s Ram & Rajan Associates, a partnership firm of Advocates, Chennai and he possesses knowledge and experience in Banking Law, Company Law, Intellectual Property Rights, Civil etc. Shri.T. K. Ramkumar is holding 29816 shares of the bank.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Item No. 8

The passing of this resolution is necessary to meet the requirement of Section 228 of the Companies Act, 1956, in terms of which the accounts of every branch of the bank is required to be audited either by the Bank's Auditors or by a person qualified for the appointment .

None of the Directors is interested in the resolution.

Item No.9

Justice S.R. Singharavelu, aged 62 years, B.Sc., BL., is a former Judge of High Court of Madras and High Court of Orissa. He has vast experience of 36 years in the Judiciary. He was appointed as Additional Director with effect from 25th February 2010 pursuant to section 260 of the Companies Act, 1956, representing Majority Sector as per Sec. 10A(2)(a) of the Banking Regulation Act, 1949 as a non independent, non executive director in compliance to clause 49 of the listing agreement. In terms of Section 260 of the Companies Act, 1956, he will hold office upto the date of this Annual General Meeting. Notice under Section 257 of the Companies Act, 1956, has been received from a member of the Bank along with the prescribed deposit for appointment of the co-opted Director as Director of the Bank. Justice S. R. Singharavelu is holding 2500 shares of the Bank.



None of the directors is deemed to be concerned or interested in the said resolution except Justice S.R. Singharavelu

Item No.10

Shri. C.R. Muralidharan, aged 62 years, B.Sc., CAIIB, is retired as a whole time member of the Insurance Regulatory and Development Authority (IRDA) in November 09. He has extensive experience in regulation of Banks in Reserve Bank of India and Insurance Companies in IRDA. He was appointed as Additional Director with effect from 25th February, 2010 pursuant to section 260 of the Companies Act, 1956, representing Majority Sector as per Sec. 10A(2)(a) of the Banking Regulation Act, 1949 as an independent, non executive director in compliance to clause 49 of the listing agreement. In terms of Section 260 of the Companies Act, 1956, he will hold office upto the date of this Annual General Meeting. Notice under Section 257 of the Companies Act, 1956, has been received from a member of the Bank along with the prescribed deposit for appointment of the co-opted Director as Director of the Bank. Shri. C.R. Muralidharan is holding 1000 shares of the Bank.

None of the directors is deemed to be concerned or interested in the said resolution except Shri. C.R. Muralidharan

Item No. 11

As per the Special Resolution passed by our shareholders at the Extraordinary General Meeting held at Kumbakonam on 29th December,2006 the total holding of equity shares by all foreign entities was pegged at 26% of the paid up capital of the bank. Your Directors consider it in the interest of the Bank to facilitate the increase of the total shareholdings of FIIs, FDIs and NRIs from the existing 26% to 30%, of which that of all NRIs will be 24% of the paid up capital of the Bank. The 5% ceiling for holding by single entity as per Reserve Bank of India guidelines will continue to be in force. Your Board has decided to incorporate the article in the Articles of Association of the Bank as stated in this resolution.

None of the Directors of the Bank is concerned or personally interested in this resolution.

Item No.12

Reserve Bank of India had issued a Circular No .DBOD. No.BC.105/08.139.001/2003-04 DATED 25/08/2004 under Sec.35A of the Banking Regulation Act, 1949 whereby the Banks in the private sector had been advised to undertake a process of due diligence to determine the suitability of a person to be appointed as Director based upon qualification, expertise, track record, integrity and other fit and proper criteria. In order to make the said circular as a mandatory direction to be followed by the Bank, your Board has decided to include a article in the Articles of Association of the Bank as stated in this resolution.

None of the Directors of the Bank is concerned or personally interested in this resolution.

Item No. 13

Your Bank is continuing to grow organically and has shown steady growth during the last few years. The Bank foresees rise in demand for credit in various sectors including retail banking market and the success in availing a strong share in this business opportunity rests on the ability of the Bank to raise funds by way of Equity during the financial year. As a proactive move to leverage on the available business opportunities and for maintaining appropriate regulatory capitalization levels, the Bank proposes to increase its issued and paid up



capital, by issue of further Equity Shares to raise an amount not exceeding Rs.300 crores by issue of equity shares of Re.1/- each per share. The Board of Directors of your Bank is of the considered view that a Qualified Institutional Placement (QIP) of the shares of your Bank would be less time consuming and more economical.

Accordingly, your Bank proposes to make a further issue of shares by way of a QIP in terms of Chapter VIII of Securities And Exchange Board Of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. These shares will be allotted only to Qualified Institutional Buyers (QIBs) as per the Guidelines issued and there will be no issue to retail individual investors and existing retail shareholders. The exact price, proportion and timing of the issue of securities will be decided by the Board based on an analysis of the specific requirements after consulting all concerned. Therefore the proposal seeks to confer upon Board the absolute discretion to determine the terms of issue in consultation with the Lead Managers to the Issue.

The said QIP by the Board shall be subject to the provisions of Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 including the pricing, which will not be less than the average of the weekly high and low of the closing prices of the related shares quoted on stock exchanges during the two weeks preceding the Relevant Date. The Relevant Date for the determination of applicable price for the issue of the QIP shall be the date of the meeting in which the Board of the Bank decide to open the proposed issue. For the reasons aforesaid, an enabling resolution is therefore proposed to be passed to give adequate flexibility and discretion to the Board to finalise the terms of the issue. The shares issued pursuant to the offering would be listed on the stock exchanges.

In accordance with the Guidelines, special resolution of shareholders in accordance with Section 81 (1 A) of the Companies Act, 1956 is required for a QIP Issue. The special resolution has a validity period of 12 months before which allotments under the authority of said resolution should be completed.

The proposed offer is in the interests of the Bank and the Directors recommend the passing of the resolution under this item as a special resolution.

None of the Directors is in any way, concerned or interested in this resolution.

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

V. Ramesh
AGM & Company Secretary

Place: Chennai
Date :29.06.2010