Secretarial Department

FEDERAL BANK
YOUR PERFECT BANKING PARTNER

Extract of the Resolution passed by the shareholders at the 84th Annual General Meeting of the Bank held on 29th June, 2015

Item No: 7 Approval of issue of Bonus shares

RESOLVED THAT, in accordance with Section 63 and other applicable provisions of the Companies Act, 2013, the Companies (Share Capital & Debentures) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), the relevant provisions of the Memorandum of Association and Articles of Association of the Bank and the recommendation of the Board of Directors of the Bank (hereinafter referred to as 'the Board', which expression shall be deemed to include a Committee of Directors duly authorized by the Board in this behalf), and subject to the provisions of the Banking Regulation Act,1949, the Foreign Exchange Management Act,1999 and Regulations made thereunder, and guidelines issued by the Reserve Bank of India (RBI) and also subject to the guidelines issued by Securities and Exchange Board of India (SEBI), and the listing agreement with the Stock Exchanges where the Bank's equity shares are listed and applicable regulatory authorities, and such permissions, sanctions and approvals as may be required in this regard, consent of the Members be and is hereby accorded to the Board (hereinafter referred to as 'the Board', which expression shall be deemed to include a Committee of Directors duly authorized by the Board in this behalf) for capitalization of such sum standing to the credit of the securities premium / free reserves of the Bank, as may be considered necessary by the Board, for the purpose of issuance of equity shares of ₹2/- (Rupees two only) each, as a bonus issue, credited as fully paid- up shares to the holders of the existing equity shares of the Bank, whose names appear in the Register of Members maintained by the Bank's Registrars and Transfer Agents / List of Beneficial Owners, as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), on such date as may be fixed in this regard by the Board as record date, in the proportion of 1(one) equity share for every 1(one) existing equity share held by the Members on such date.

RESOLVED FURTHER THAT, consequent to the bonus issue of the equity shares, hereinbefore resolved, in accordance with the relevant provisions of the Memorandum of Association and Articles of Association of the Bank and subject to any other requirement under any applicable law, consent of the Members be and is hereby accorded to the Board(hereinafter referred to as 'the Board', which expression shall be deemed to include a Committee of Directors duly authorized by the Board in this behalf), to request the Depositary in respect of its outstanding Global Depositary Shares (GDSs), to distribute to the holders of the existing GDSs of the Bank, whose names appear as holders on such date as may be fixed in this regard by the Board, new GDSs in the proportion of 1(one) GDS, for every 1(one) existing GDS (which is represented by one underlying equity share of the Bank) held by the GDS holders and in the

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event such distribution is not feasible in the opinion of the Depositary, to sell the equity shares allotted to the Depositary at such price or prices to such person or persons as the Depositary may deem fit and distribute the proceeds to the holders of the GDSs in each case in accordance with the provisions of the deposit agreement.

RESOLVED FURHTER THAT no fractional certificates shall be issued in respect of any fractional entitlement if any, but the equity shares in respect of such fractions shall be consolidated and allotted to any person or persons, formed by way of trust for this purpose, appointed by the Board(hereinafter referred to as 'the Board', which expression shall be deemed to include a Committee of Directors duly authorized by the Board in this behalf) on the express understanding that such person or persons shall sell the equity shares so allotted at such price or prices to such person or persons as they may think fit, as soon as practicable and pay to the Bank the net sale proceeds (after deducting expenses if any, incidental to the sale), which proceeds shall be distributed by the Bank pro rata amongst the members entitled thereto;

RESOLVED FURTHER THAT, no allotment letters shall be issued to the allottees of the equity shares but in the case of members who hold equity shares in dematerialized form, the bonus shares shall be credited to the respective beneficiary accounts of the members with their respective Depository Participants and in the case of members who hold equity shares in physical form, the share certificates in respect of the equity shares shall be despatched within such time as prescribed by law and the relevant authorities.

RESOLVED FURTHER THAT, the issue and allotment of the said bonus shares to the extent that they relate to Non- Resident Indians (NRIs),Foreign Institutional Investors (FII's) and Foreign Investors of the Bank, will be subject to the compliance under the applicable regulations of the Foreign Exchange Management Act,1999 and the rules made thereunder and other applicable laws if any as may be necessary including any approval from the Reserve Bank of India (RBI) and any other regulatory authority, as may be required.

RESOLVED FURTHER THAT, the Board (hereinafter referred to as 'the Board', which expression shall be deemed to include a Committee of Directors duly authorized by the Board in this behalf) be and is hereby authorized to make appropriate adjustments on bonus issue of equity shares as aforesaid, to the outstanding options granted to the employees of the Bank under Employee Stock Option Scheme 2010(ESOS 2010)("the Scheme"), pursuant to the Securities and Exchange Board of India (Employee Stock Options and Employee Stock Purchase Scheme) Guidelines, 1999 and/or Securities and Exchange Board of India (Share Based Employee Benefits)Regualtions,2014 and any amendments thereto from time to time, such that the exercise price for all outstanding options as on the 'record date' (as determined by the Board) (vested and unvested options, including lapsed and forfeited options available for reissue) shall be proportionately adjusted and the number of options which are available for

grant and those already granted but not exercised as on 'record date' (as determined by the Board) shall be appropriately adjusted.

RESOLVED FURTHER THAT, the equity shares so allotted shall rank pari passu in all respects with the fully paid-up equity shares of the Bank as existing on the 'record date', save and except that they shall not be entitled to any dividend that may be declared before the 'record date'.

RESOLVED FURTHER THAT, the equity shares so allotted shall always be subject to the terms and conditions contained in the Memorandum of Association and Articles of Association of the Bank including any amendments made from time to time.

RESOLVED FURTHER THAT, for the purposes of giving effect to the bonus issue of equity shares and GDS resolved hereinbefore, the issuance of equity shares and/or GDS or Instruments or Securities representing the same, the Board/Committee of Directors and/or other designated officers of the Bank, including Company Secretary/Chief Financial Officer be and are hereby authorized on behalf of the Bank to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose, including without limitation, filing of required documents with stock exchanges, listing the additional equity shares and/or GDSs on BSE Limited, The National Stock Exchange of India Limited, London Stock Exchange (LSE) as the case may be, and amending, if necessary, the relevant sections of the agreement entered into between the Bank, Deutsche Bank Trust Company Americas(the depositary to the Bank's GDSs) and the Global Depositary Receipt Holders ('the Depositary Agreement') in connection with the Bank's GDS offering, listing on the LSE and entering into of any depositary arrangements in regard to any such bonus as it may in its absolute discretion deem fit.

RESOLVED FURTHER THAT, the Board (hereinafter referred to as 'the Board', which expression shall be deemed to include a Committee of Directors duly authorized by the Board in this behalf) be and is hereby authorized to take all other steps as may be necessary to give effect to the aforesaid resolution and determine all other terms and conditions of the issue of bonus shares as the Board may in its absolute discretion deem fit.

/CERTIFIED TRUE COPY/

For the Federal Bank Ltd

Girish Kumar G
ADGM & Company Secretary

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