THE KARUR VYSYA BANK LIMITED

Regd. & Central Office : Erode Road, Shares Department, KARUR - 639 002

To
The Members,
The Karur Vysya Bank Limited.

ABSTRACT OF THE TERMS OF APPOINTMENT AND REMUNERATION PAYBALE TO SHRI KRISHNAMOORTHY VENKATARAMAN, MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER OF THE BANK - DISCLOSURE U/S 302 OF THE COMPANIES ACT, 1956

In terms of Sec 35 B of the Banking Regulation Act, 1949, Reserve Bank of India (RBI) has vide its letter DBOD.16517/08.41.001/2010-11 dated 26.04.2011, approved the appointment of Shri Krishnamoorthy Venkataraman as Managing Director & Chief Executive Officer of the Bank for a period of three years effective from 01.06.2011.

The abstract of the terms of appointment together with memorandum of interest is given below as required under Sec 302 of the Companies Act, 1956.

Sr.No.	PARTICULARS	AMOUNT (IN Rs.)
1.	Salary (Pay)	Rs. 42 lakh per annum, with annual increment of 10% of the pay
2.	Dearness Allowance/House Rent/Conveyance Allowance	NIL
3.	Entertainment Allowance	Reimbursement of Rs. 60,000 p.a. inclusive of entrance fee/subscription fee,etc. for two clubs
4.	Perquisites - Furnished House	Standard rent of Rs. 660.05 is recoverable towards quarters
5.	Free use of Bank's Car for official Purposes For private purpose on compensating the bank Telephone Subscription to news papers/journals, ect.	Yes, with Driver Recovery at Rs. 250 p.m. for journey not exceeding 750 kms. Above that 60% of the rate fixed by RTA No restriction on use of telephone/mobile/fax/e-mail for office use As may be required by the CEO
6.	Provident Fund / Gratuity / Pension	12% of Salary (pay) on contributory basis. Gratuity - one month's pay for each completed year of service
7.	Travelling & Healting Allowances	Single return fare by business / executive class for air travel on official purposes. Halting allowances, boarding charges and lodging charges as may be decided by the Board of Directors from time to time.
8.	Medical Aid	Medical Aid : Reimbursement of medical expenses for self and dependent family members up to Rs. 20,000 p.a. on declaration basis. Hospitalisations Scheme - Reimbursement of Hospitalisation charges to the extent of 100% in the case of MD & CEO and 75% in case of his dependent family members Upon the MD & CEO laying down his office, the bank will pay or reimburse the full premiums payable/paid on the policy or policies issued under medical Insurance plan covering hospitalisation and other medical expenses under the medical insurance policy with a sum assured to Rs. 10 lakh.
9.	Other Benefits, if any	Not entitled for Sitting Fees and Bonus.
	Leave - Casual Leave	12 days a year
	Ordinary Leave/Fare Concession	1 day for every 11 days of service
	Sick Leave	30 days for each completed year of service
	Leave Fare Concession	Air travel for himself, family members and dependents, Leave Travel Concession for MD & CEO and his family once a year to and fro to any place in India.
	Encashment of Leave	In case the facility is not used in a year, the same can be carried over to next block, as applicable to other executives of the Bank. Encashment of privilege leave at credit at the time of demitting office.
	Insurance cover	Insurance cover up to Rs. 10,00,000 for Journey by Air/Road/Rail for official purposes.
10.	ESOP	Eligible/entitled for allotment of stock options as may be decided by the Board/Compensation Committee of the Board and when Bank's stock options scheme is implemented by the Bank as per SEBI regulations, with prior approval of RBI.

Memorandum of Interest

None of the directors of the Bank is interested or concerned except Shri Krishnamoorthy Venkataraman, as it relates to him.

By order of the Board
For **The Karur Vysya Bank Limited,**
R. KANNAN
Company Secretary

Place : Karur
Date : 01.06.2011

Executive Forms (P) Ltd., ✆ : 0422 - 2521642, 4371528, Madurai. : 98949 46033

THE KARUR VYSYA BANK LIMITED

Regd. & Central Office : Erode Road, Shares Department, KARUR - 639 002

Dear Shareholders,

IMPLEMENTATION OF CIRCULAR ISSUED BY MCA ON
" GREEN INITIATIVES IN CORPORATE GOVERNANCE"

As a member of the Bank, you are entitled to receive, a copy of the Balance Sheet of the Bank and all other documents required under The Companies Act, 1956 (the Act) to be attached thereto at the time of Annual General Meeting.

The Ministry of Corporate Affairs (MCA), Government of India, has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies vide circular dated April 21, 2011 in terms of which a company would have ensured compliance with the provisions of Sec 53 of the Act, if service of documents have been made through electronic mode. In such a case, the company has to obtain email addresses of its members for sending e-notices/documents electronically by giving an advance opportunity to the members to register their email addresses and changes therein, if any, from time to time with the company.

To take part in the above Green initiative, we propose to hence forth send all documents such as notices for General Meetings, Financial Statements, Annual Reports etc in electronic form to the email addresses of the members of the Bank.

We are sure that you would welcome the "Green Initiative" taken by the MCA and your Bank's desire to participate in the same.
In case of beneficial owners i.e. shareholders holding demat accounts, the bank would be taking the email ids available with NSDL/CDSL as on Record Date for dispatch of documents including Notice, explanatory statement, audited financial statements, Directors' Report, Annual Report etc in electronic form for the year ended March 31, 2011. For those shareholders who have not provided the email ids in demat accounts and for shareholders holding shares in physical form, we would request them to kindly provide their e-mail address either to us or by registering their e-mail ids and changes there in from time to time with the Bank in its website → www.kvb.co.in - → About us Shareholders corner /Statutory requirements → Annual report green initiative.

Further as a shareholder you are always entitled to request and receive, free of cost, a printed copy of the Annual Report of the bank at any point of time during the Financial year.

The Notice of the AGM and the copies of the Audited Financial Statements, Directors' Report, Auditors' Report etc will be displayed on the website www.kvb.co.in of the Bank and the other requirements of the aforesaid MCA circular will be duly complied with.

Place : Karur
Date : 01.06.2011

For **The Karur Vysya Bank Limited,**
R. KANNAN
Company Secretary