

YES BANK LIMITED

Corporate Identity Number: L65190MH2003PLC143249

Regd. & Corporate Office: 9th Floor, Nehru Centre, Discovery of India, Dr. A. B. Road, Worli, Mumbai - 400 018, India.

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POSTAL BALLOT NOTICE

Notice pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014

Dear Members

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013, as amended (the “Act”) read with Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended and re-enacted thereof from time to time, whereby YES Bank Limited (the “Bank”) is seeking approval from its Members for passing of the following resolutions by way of Postal Ballot (“Notice”).

Resolution 1:

To consider, and if thought fit, to pass the following resolution as a Special Resolution:

“**RESOLVED** that pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013, as amended, and the rules made thereunder, including the Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, the applicable provisions of the Banking Regulation Act, 1949, as amended, and the rules, circulars and guidelines issued by Reserve Bank of India (“RBI”) from time to time, including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force and all other relevant provisions of applicable law(s), 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 statutory or regulatory authority(ies), the approval of the Members of the Bank be and is hereby accorded for borrowing/raising funds in Indian /foreign currency by issue of debt securities including but not limited to non-convertible debentures, bonds (including bonds forming part of Tier I/ Tier II capital in accordance with and subject to the terms and conditions specified in the Basel III Capital Regulations prescribed by RBI, long-term infrastructure bonds or such other bonds as may be permitted by RBI from time to time) upto ₹ 8,000 Crore (Rupees Eight Thousand Crore Only) (collectively the “debt securities”) by the Bank, in one or more tranches and/or series, in domestic and /or overseas market, as per the agreed structure and within the limits permitted by RBI and other regulatory authorities, to eligible investors on private placement basis during a period of one year from the date of passing of this resolution, within the overall borrowing limits of the Bank, as approved by the Members, from time to time.

RESOLVED further that the Board of Directors (hereinafter referred to as “Board”) of the Bank or any Committee of the Board or such other persons as may be authorized by the Board, be and are hereby authorized to negotiate, modify and finalise the terms and conditions of the debt securities and sign the relevant documents/agreements in connection with the private placement of the debt securities, including without limitation, the private placement offer letter (along with the application form), information memorandum, disclosure documents, debenture subscription agreement, debenture trust deed and any other documents as may be required, in connection with the offering(s), issuance(s) and/or allotment(s) on private placement of debt securities by the Bank and to further delegate the above powers to any Committee of Directors or any personnel of the Bank to act on their behalf as they may deem fit and to do all such other acts and things and to execute all such documents as may be necessary for giving effect to this resolution.

RESOLVED further that Mr. Rana Kapoor, Managing Director & CEO and Mr Shivanand R. Shettigar, Company Secretary of the Bank, be and are hereby authorized severally to do the necessary filings with the Registrar of Companies and any other regulatory/statutory authority(ies) as required by applicable laws and do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to give effect to this resolution.”

Resolution No. 2:

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

“**RESOLVED** that pursuant to the applicable provisions of the Banking Regulation Act, 1949, as amended, and the rules, circulars and guidelines issued by Reserve Bank of India (“RBI”), the provisions of the Companies Act, 2013 and rules made thereunder, (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force), the Listing Agreement entered into by the Bank with the Stock Exchanges where the securities of the Bank are listed, Articles of Association of the Bank and the approval dated August 1, 2014 accorded by RBI vide DBOD No.1869/29.47.001/2014-15 (the “RBI Approval”), the consent of the Members of the Bank be and is hereby accorded to take on record the RBI Approval including the terms of appointment of Ms. Radha Singh (DIN-02227854) as Non-Executive Part-Time Chairperson of the Bank for a period of two (2) Years from the date of her taking charge i.e., October 30, 2014 and to approve her remuneration of ₹ 18 Lakh (Rupees Eighteen Lakh Only) per annum and use of the Bank’s car along with driver and fuel and maintenance expenses on an actual basis in terms of the aforesaid RBI Approval.

RESOLVED further that Ms. Radha Singh be treated as the Non-Executive Non-Independent Director of the Bank, from the date of her taking charge as the Non-Executive Part-time Chairperson of the Bank i.e. with effect from October 30, 2014.

RESOLVED further that the Board (including any duly constituted committee(s) of the Board) be and is hereby authorized to do all such acts, deeds, matters and things and to execute any agreements, documents or give instructions, as may be required to give effect to this resolution.”

Resolution No. 3:

To consider, and if thought fit, to pass the following resolution as a Special Resolution:

“**RESOLVED** that in partial modification of the earlier resolution passed as Item No. 7 at the Seventh Annual General Meeting of the Bank held on June 28, 2011 and pursuant to the applicable provisions of the Companies Act, 2013 (the “Act”) and rules made thereunder (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of the Bank, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (the “Regulations”), the Listing Agreement entered into by the Bank with the Stock Exchanges where the securities of the Bank are listed and the rules, circulars, regulations, guidelines, if any, prescribed by Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and all other concerned/relevant authorities, from time to time, to the extent applicable and subject to such approval(s), consent(s),

permission(s) and sanction(s) of the Government of India, SEBI, RBI and all other appropriate authorities, institutions or bodies, as may be required, and subject to such conditions and modifications as may be prescribed by any of them while granting such approval(s), consent(s), permission(s) and sanction(s) and which may be agreed to and accepted by the Board of Directors (*hereinafter referred to as the "Board" which term shall be deemed to include the Nomination & Remuneration Committee, for the time being authorized by the Board of Directors to exercise powers conferred on the Board of Directors and/or such other persons who may be authorised in this regard by the Board of Directors and/or the Nomination & Remuneration Committee*), approval of the Members be and is hereby granted to amend the Employee Stock Option Scheme of the Bank i.e. "YBL JESOP V/PESOP II" (hereinafter referred to as the "**Scheme**") by revising the maximum number of options to be granted to the present and future employees of the Bank from current Fifteen (15) lakhs options per employee to Twenty Five (25) lakhs options per employee and to amend the Scheme so as to align the provisions of the Scheme with the provisions of the Regulations as detailed in the explanatory statement annexed hereto.

RESOLVED further that the other terms and conditions of the Scheme, except as provided above, shall remain unchanged and the overall coverage of the Scheme remains 4.5 crore equity stock options as already approved by the Members.

RESOLVED further that the Board be and is hereby authorised to make any modifications, changes, variations, alterations or revisions in the Scheme, as it may deem fit, from time to time and/or amend, modify, alter, vary, suspend, withdraw or revive the Scheme from time to time in conformity with the provisions of the Act, the Regulations and other applicable laws, circulars and guidelines, unless such variation, amendment, modification or alteration is detrimental to the interest of the employees who have been granted options under the Scheme.

RESOLVED further that for the purpose of giving effect to this resolution, the Board be and is hereby authorized on behalf of the Bank to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, and with the power on behalf of the Bank to settle all questions, difficulties or doubts that may arise in this regard, as it may, in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members."

Resolution No. 4:

To consider, and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED that in partial modification of the earlier resolution passed as Item No. 8 at the Seventh Annual General Meeting of the Bank held on June 28, 2011 and pursuant to the applicable provisions of the Companies Act, 2013 (the "**Act**") and rules made thereunder (*including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force*) and in accordance with the provisions of the Memorandum and Articles of Association of the Bank, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (the "**Regulations**"), the Listing Agreement entered into by the Bank with the Stock Exchanges where the securities of the Bank are listed and the rules, circulars, regulations, guidelines, if any, prescribed by Securities and Exchange Board of India (**SEBI**), Reserve Bank of India (**RBI**), and all other concerned/relevant authorities from time to time, to the extent applicable and subject to such approval(s), consent(s), permission(s) and sanction(s) of the Government of India, SEBI, RBI and all other appropriate authorities, institutions or bodies, as may be required, and subject to such conditions and modifications as may be prescribed by any of them while granting such approval(s), consent(s), permission(s) and sanction(s) and which may be agreed to and accepted by the Board of Directors (*hereinafter referred to as the "Board" which term shall be deemed to include the Nomination & Remuneration Committee, for the time being authorized by the Board of Directors to exercise powers conferred on the Board of Directors and/or such other persons who may be authorised in this regard by the Board of Directors and/or the Nomination & Remuneration Committee*), approval of the Members be and is hereby granted to amend the Employee Stock Option Scheme of the Bank i.e. "YBL JESOP V/PESOP II" (hereinafter referred to as the "**Scheme**") by revising the maximum number of options to be granted to the present and future employees of any of the subsidiaries and/or associate companies of the Bank and/or present and future employees of the Bank subsequently transferred / deputed to any of the subsidiaries and/or associate companies of the Bank from current Fifteen (15) lakhs options per employee to Twenty Five (25) lakhs options per employee and to amend the Scheme so as to align the provisions of the Scheme with the provisions of the Regulations as detailed in the explanatory statement annexed hereto

RESOLVED further that the other terms and conditions of the Scheme, except as provided above, shall remain unchanged and the overall coverage of the Scheme remains 4.5 crore equity stock options as already approved by the Members.

RESOLVED further that the Board be and is hereby authorised to make any modifications, changes, variations, alterations or revisions in the Scheme, as it may deem fit, from time to time and/or amend, modify, alter, vary, suspend, withdraw or revive the Scheme from time to time in conformity with the provisions of the Act, the Regulations and other applicable laws, circulars and guidelines, unless such variation, amendment, modification or alteration is detrimental to the interest of the employees of such subsidiaries / associate companies of the Bank who have been granted options under the Scheme.

RESOLVED further that for the purpose of giving effect to this resolution, the Board be and is hereby authorized on behalf of the Bank to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, and with the power on behalf of the Bank to settle all questions, difficulties or doubts that may arise in this regard, as it may, in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members."

By Order of the Board



Shivan R. Shettigar
Company Secretary

Place: Mumbai
Date: December 5, 2014

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 setting out material facts is annexed hereto.
2. All documents referred to in this Postal Ballot Notice and Explanatory Statement setting out material facts are open for inspection by the Members at the Registered Office of the Bank between 10.00 A.M. and 12 noon on all working days of the Bank from the date hereof up to Thursday, January 15, 2015.
3. The Board of Directors has appointed **Mr. B. Narasimhan, Proprietor of M/s B. N. & Associates, Company Secretaries** and failing him, **Mr. Keyoor Bakshi, Partner, BNP & Associates**, as a Scrutinizer to scrutinize the postal ballot process in a fair and transparent manner.

4. The Postal Ballot Notice is being sent to all the Members, whose names appear in the Register of Members/ List of Beneficial Owners as received from Depositories i.e. National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) as on Friday, December 5, 2014.
5. In terms of Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, as amended, read with the Companies (Management and Administration) Rules, 2014 and in compliance with Clause 35B of the Listing Agreement, the Bank is pleased to offer e-voting facility as an option to all the Members of the Bank. The Bank has appointed Karvy Computershare Private Limited ('KCPL', 'Karvy' or 'Service Provider') for facilitating e-voting to enable the Members to cast their votes electronically instead of dispatching Postal Ballot Form. E-voting is optional.
6. In accordance with the provisions of Section 101 of the Companies Act, 2013 read with Rules 18 and 22 of the Companies (Management and Administration) Rules, 2014, this Postal Ballot Notice is being sent by e-mail to those Members who have registered their e-mail address with the Bank (*in respect of shares held in physical form*) or with their Depository Participants (*in respect of shares held in dematerialized form*) and made available to the Bank by the respective Depositories. Members who have not registered their e-mail address will receive this Postal Ballot Notice along with the Postal Ballot Form through post. Members who have received Postal Ballot Notice by e-mail and who wish to vote through Physical Postal Ballot Form can download Postal Ballot Form from the website of the Bank www.yesbank.in or <https://evoting.karvy.com> or seek duplicate Postal Ballot Form from M/s Karvy Computershare Private Limited (Unit: YES Bank Limited), Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081, fill in the details and send the same to the Scrutinizer.
7. Kindly note that the Members can opt for only one mode of voting i.e., either by physical postal ballot form or e-voting. If the Members opt for e-voting, then they should not vote by physical postal ballot and vice versa. However, in case Members cast their vote both via physical postal ballot and e-voting, then voting done through e-voting shall prevail and vote cast through physical postal ballot will be treated as invalid.
8. If the Members are voting through Postal Ballot Form in Physical mode, Members are requested to carefully read the instructions printed on the Postal Ballot Form sent herewith and return the form duly completed along with assent (**FOR**) or dissent (**AGAINST**), in the attached self-addressed pre-paid postage business reply envelope so as to reach the Scrutinizer on or before the close of working hours i.e. **6.00 P.M. on Thursday, January 15, 2015**. The postage cost will be borne by the Bank. However, envelopes containing Postal Ballot Forms, if sent by courier or registered/speed post or delivered by the Member in person at his expense at the address as mentioned in the business reply envelope will also be accepted. **Assent / Dissent received after 6:00 P.M. on Thursday, January 15, 2015 would be strictly treated as if reply from the Member(s) has not been received. No other form or photocopy thereof is permitted.**

The instructions and other information relating to e-voting are as under:

1. A. In case a Member receiving an email from Karvy [for Members whose e-mail IDs are registered with the Bank/ Depository participant(s)]:
 - (i) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - (ii) Enter the login credentials (i.e. User ID and Password). 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".
 - (iv) You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, 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.
 - (v) You need to login again with the new credentials.
 - (vi) On successful login, the system will prompt you to select the "EVENT" i.e., YES Bank Limited.
 - (vii) On the voting page, enter the number of shares (*which represents the number of votes*) as on the Cut Off date 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 Friday, December 5, 2014. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - (viii) Members holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.
 - (ix) Voting has to be done for each item of the Postal Ballot Notice separately. In case any Member does not desire to cast his/her vote on any specific item it will be treated as abstained.
 - (x) You may then cast your vote by selecting an appropriate option and click on "Submit".
 - (xi) 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. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - (xii) Corporate/Institutional Members (*i.e. other than Individuals, HUF, NRI, 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 authorized representative(s), to the Scrutinizer at e-mail ID: yesbankevoting@karvy.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "YESBANK_EVENT NO."
- B. In case of Members receiving Postal Ballot Form by Post [for Members whose email IDs are not registered with the Bank/ Depository Participant(s)]:
 - (i) User ID and initial password as provided in the Postal Ballot Form.
 - (ii) Please follow all steps from Sr.No. (i) to (xii) as mentioned in (A) above, to cast your vote.

2. The e-voting period commences on **Wednesday, December 17, 2014 at 10:00 A.M. and ends on Thursday, January 15, 2015 at 6:00 P.M.** The e-voting module shall be disabled for voting thereafter. During this period, the Members of the Bank holding shares in physical form or in dematerialized form, as on the cut-off date (record date), being **Friday, December 5, 2014**, may cast their vote by electronic means in the manner and process set out hereinabove. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
3. The voting rights of the Members shall be in proportion to their shares in the total paid-up equity share capital of the Bank subject to the provisions of the Banking Regulation Act, 1949, as amended, as on **Friday, December 5, 2014**.
4. In case of any query pertaining to e-voting, please visit Help & FAQ's section of <https://evoting.karvy.com> (Karvy's website) or any grievances or queries of the Members of the Bank connected with the electronic voting can be addressed to the Bank's Registrar & Share Transfer Agents, Karvy Computershare Private Limited (Unit: YES Bank Limited), Plot No. 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad - 500 081 or Contact Person: Ms. C. Shobha Anand, Asst. General Manager or Mr. U. S. Singh, Manager at inward.ris@karvy.com or at telephone Nos. 040-44655000/040-44655188 or may write to the Company Secretary at the Registered office of the Bank.
5. The Scrutinizer will submit the results to the Chairperson after completion of the scrutiny of the Postal Ballot Forms and e-voting, and the results of the voting by Postal Ballot will be announced on or before **Monday, January 19, 2015** at the Registered Office of the Bank at 9th Floor, Nehru Centre, Discovery of India, Dr. A. B. Road, Worli, Mumbai - 400 018.
6. The result of the Postal Ballot along with the Scrutinizer's Report will also be displayed on the Bank's website www.yesbank.in and also on the website of M/s Karvy Computershare Private Limited i.e. <https://evoting.karvy.com> and shall be communicated to the stock exchanges where the Bank's shares are listed. The result of the Postal Ballot will also be published in the newspapers. In the event, the draft resolutions are assented to by the requisite majority of Members by means of Postal Ballot, the date of declaration of Postal Ballot result shall be deemed to be the date of passing of the said resolutions.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 FORMING PART OF THE NOTICE

Item No. 1

Your Bank has been borrowing funds to meet the business requirements within the limits approved by you by way of issuance of various debt securities (bonds/debentures) as permitted by Reserve Bank of India ("RBI") and in accordance with the provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, and other applicable laws, from time to time. Recently, RBI, pursuant to the Union Budget's proposal of encouraging larger private sector participation in infrastructure / affordable housing sector, and to encourage Banks to fund infrastructure through long term bonds to mitigate the asset-liability mismatches, has come out with circulars on flexible loan structuring, offering incentive to raise long term bonds for infrastructure financing and low cost housing, by providing flexibility in loan structuring and refinancing, and also granting exemptions from regulatory pre-emptions, such as, Cash Reserves Ratio (CRR), Statutory Reserves Ratio (SLR) and Priority Sector Lending (PSL), to the extent funded by bonds subject to certain norms, making the issue of bonds more attractive for the Bank for raising funds. Further, RBI has also come out with guidelines which has made issuing Basel III compliant capital (Tier I and Tier II) more investor friendly, with a view to encourage investor participation.

The details of the relevant circulars issued by RBI are as follows:

1. RBI/2014-15/201-DBOD.No.BP.BC.38/21.06.201/2014-15 dated September 1, 2014 - Implementation of Basel III Capital Regulations in India – Amendments. The limit on which the bank could raise Tier II capital (36.67% of Common Equity Capital) to be considered as eligible capital fund under Basel III guidelines was withdrawn. Basis the new revised circular, the Bank can raise Tier II capital without any limit and Tier II bonds can also be issued with minimum original maturity of five years (*revised from earlier minimum original maturity of 10 years*).
2. RBI/2014-15/127 -DBOD.BP.BC.No.25/08.12.014/2014-15 July 15, 2014 - Issue of Long Term Bonds by Banks – Financing of Infrastructure and Affordable Housing. Banks can issue long-term bonds with a minimum maturity of seven years to raise resources for lending to (i) long term projects in infrastructure sub-sectors, and (ii) affordable housing subject to conditions mentioned in the circular. These bonds would be exempt from CRR, SLR and PSL requirements.

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

Accordingly, considering the attractive features of the revised guidelines issued by RBI on issue of long term bonds / Basel III Tier I / Tier II bonds and the fact that these bonds will also assist the Bank in reducing asset-liability mismatches, the Board of Directors has proposed to obtain the consent of the Members of the Bank for borrowing/raising funds in Indian / foreign currency by issue of debt securities including but not limited to non-convertible debentures, bonds (*including bonds forming part of Tier I/ Tier II Capital in accordance with and subject to the terms and conditions specified in the Basel III Capital Regulations prescribed by RBI, long-term infrastructure bonds or such other bonds as may be permitted by RBI from time to time*), pursuant to the relevant provisions of the applicable circulars or guidelines issued by RBI, upto ₹ 8,000 Crore (Rupees Eight Thousand Crore Only), in one or more tranches in domestic and /or overseas market, as per the structure and within the limits permitted by RBI and other regulatory authorities, to eligible investors on private placement basis, on such terms and conditions as the Board of Directors or any committee(s) thereof or such other persons as may be authorized by the Board, from time to time, determine and consider proper and appropriate for the Bank. This would form part of the overall borrowing limits as approved by the Members under Section 180(1)(c) of the Companies Act, 2013. The Resolution under Section 42 of Companies Act, 2013 shall be valid for a period of one year from the date of passing of this resolution.

The pricing of the debt securities referred above depends primarily upon the rates prevailing for risk free instruments, rates on other competing instruments of similar rating and tenor in the domestic or overseas markets, investor appetite for such instruments and investor regulations which enable investments in such instruments. Further, debt securities would be issued for cash either at par or premium or at discount to the face value depending upon the prevailing market conditions, as permitted under the Laws.

Accordingly, the approval of Members is being sought by way of special resolution as set out at in Item No. 1 for borrowing/raising funds in Indian / foreign currency by issue of debt securities on private placement basis.

Your Directors, therefore, recommend the passing of the special resolution set forth in Item No. 1 of this Notice.

None of the Directors nor Key Managerial Personnel and their relatives are, in any way, concerned with or interested in this proposed resolution.

Item No. 2:

Pursuant to the recommendations of the Board of Directors of the Bank ("**Board**"), Reserve Bank of India *vide* its letter dated August 1, 2014 bearing reference number DBOD No.1869/29.47.001/2014-15 ('**RBI Approval**') approved the appointment of Ms. Radha Singh as the Non-Executive Part-Time Chairperson of the Bank for a period of two (2) years from the date of her taking charge, at a remuneration of Rupees Eighteen (18) Lakh per annum and use of Bank's car along with driver and fuel and maintenance expenses on an actual basis. Accordingly, Ms. Radha Singh took charge as Non-Executive Part-Time Chairperson of the Bank with effect from October 30, 2014.

Ms Radha Singh has been a member of the Board since April 29, 2008 as an Independent Director and currently chair's the Corporate Social Responsibility Committee of the Board and is a member of Audit Committee, Risk Monitoring Committee, Nomination & Remuneration Committee and Board Credit Committee. She has contributed immensely since joining the Bank, particularly towards the Bank's policies, supervision and direction. Further, Ms. Radha Singh was a member of Indian Administrative Service (IAS) and retired as Union Agriculture Secretary in November 2006. She has 39 years of experience in public service in areas of rural and agriculture development, cooperation, water resources, public finance and institution building. She was responsible for formulation and implementation of the Agricultural Policy and was involved in increasing investments in programmes for diversification into high value agriculture. She has assisted in establishment of the National Rainfed Area Authority for a holistic solution to deal with the problems of rainfed agriculture which accounts for 60% of Indian Agriculture.

In addition to the above, Ms. Radha Singh also headed multifarious organizations either as a Board Member or as Chairperson such as National Horticulture Board (NHB), Executive Council of National Institute of Agricultural Marketing (NIAM), National Cooperative Development Corporation (NCDC), Board of Management of the Small Farmer Agri-Business Consortium (SFAC), National Institute of Agricultural Extension Management (MANAGE), etc. Ms. Singh was also with the World Bank in Washington, U.S.A. as an Institutional Specialist and in other capacities for six years from 1992 to 1998. Currently, she is Agriculture Advisor to FICCI.

Considering the above facts and her association with the Bank for the last 6 years in understanding the business strategy of the Bank, objective and regulatory expectations, her appointment as a Non-Executive Part-time Chairperson will help the Bank in its growth trajectory.

Further, Ms. Radha Singh was appointed, at the 10th Annual General Meeting of the Bank held on June 14, 2014, as an Independent Director of the Bank for a period of two years. However, she is no longer an Independent Director effective from the date of her taking charge as Non-Executive Part-time Chairperson of the Bank i.e., from October 30, 2014, since she is eligible for remuneration. Accordingly, she shall be treated as Non-Executive Non-Independent Director of the Bank with effect from October 30, 2014.

Accordingly, your Directors recommend the passing of ordinary resolution set forth in Item No. 2 of this Notice, to take on record the RBI Approval for the appointment of Ms. Radha Singh (DIN-02227854) as Non-Executive Part-Time Chairperson of the Bank for the period of two (2) Years from the date of her taking charge i.e., October 30, 2014 and approving her remuneration of ₹ 18 Lakh (Rupees Eighteen lakh only) per annum and use of Bank's car along with driver and fuel and maintenance expenses on an actual basis in terms of the aforesaid RBI Approval. Further, Ms. Radha Singh shall not be entitled to sitting fees for attending any of the meetings of the Board and/or committees of the Bank.

The detailed profile of Ms. Radha Singh, the Directorships and Committee positions held by her in other companies is included separately in this Notice.

Save and except Ms. Radha Singh, none of the Directors nor Key Managerial Personnel and their relatives are, in any way, concerned or interested in this proposed resolution.

Item No. 3 & 4:

The Bank's present Employee Stock Option Scheme under the name and style of "YBL JESOP V/ PESOP II" was approved by the Members of the Bank from time to time, latest being at the Seventh Annual General Meeting held on June 28, 2011 ("**Scheme**").

As per the existing terms of the Scheme, an employee can be granted maximum of fifteen (15) lakhs options. In terms of the Compensation & Benefits Policy of the Bank, employees are granted options as part of annual performance review process based on their performance as well as to ensure their retention. As some of the employees have already reached the maximum number of options permissible under the present Scheme, it would be necessary to increase the maximum number of grants per employee from 15 lakhs options to 25 lakhs options so as to enable the Bank to grant further options to these employees.

Further, SEBI has notified the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 on October 28, 2014 (the "**Regulations**") repealing the erstwhile Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the "**Guidelines**") prescribing that all listed companies having existing schemes to which the Regulations apply are required to comply with the Regulations in their entirety within one year of the coming into effect of the Regulations. As the Bank is seeking the approval of Members for amending the Scheme, it would be appropriate to seek approval of Members to amend the provisions of the Scheme so as to align them with the provisions of the Regulations.

Accordingly, the Nomination & Remuneration Committee and the Board of Directors at their meeting(s) held on October 29, 2014 and October 30, 2014 respectively approved the increase in the maximum number of options to be granted to an employee from present fifteen (15) lakhs options to twenty (25) lakhs options and for amending the Scheme to align it with the Regulations. The changes proposed in the Scheme as under:

Existing Provision	Proposed Provision
Definitions	
Board Remuneration Committee ('BRC' or 'the Committee'): A Committee of Directors consisting of one whole time Director and majority of independent Directors of YBL, constituted for the purpose of administering the YBL ESOP. [the definition of independent directors in the context of the constitution of the BRC must be read in conjunction with the definitions in the Securities & Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999]	Nomination & Remuneration Committee ('N&RC' or 'the Committee'): A Committee of such members of the Board of Directors of the Bank as provided under section 178 of the Companies Act, 2013, as amended or modified from time to time, constituted for the purpose of administration and superintendence of the YBL JESOPV/PESOP II.
Employee or Employees: Person(s) employed by the Bank and its subsidiaries (presently as well as in future) and any successor Bank thereof. Only those employees who are on the payroll of the Bank or any of its subsidiaries will be covered under this Plan. No contract employees (on third party payroll), agency employees etc. would be eligible under this Plan. An employee who is a promoter or belongs to the promoter group shall not be eligible to participate in the plan.	Employee(s) means, — (i) a permanent employee of the Bank who has been working in India or outside India; or (ii) a director of the Bank, whether a whole time director or not but excluding an independent director; or (iii) an employee as defined in clauses (i) or (ii) of a subsidiary, in India or outside India, or of an associate company; However the employee as defined in clause (i) to (iii) above, shall not include— (a) an employee who is a promoter or a person belonging to the promoter group; or (b) a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Bank;
Fair Value - The BRC will determine the Fair Value based on the life of the options, the risk free interest rate, the price of the underlying stock and such other parameters and valuation models specified in Schedule III of the Securities & Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.	Deleted
Grant Date – Date of issue of options, in corresponding number of equity shares of YBL, to employees	Grant Date: Grant Date means the date on which the N&RC approves the grant
Market Price – The latest available closing price, prior to the date of the meeting of the Board of Directors / BRC in which the options are granted, on the stock exchange on which the shares of the Bank are listed. If the shares are listed on more than one exchange, then the stock exchange where there is highest trading volume on the said date shall be considered.	Market Price: Market Price means the latest available closing price on a recognised stock exchange on which the shares of the Bank are listed on the date immediately prior to the date of the meeting of the N&RC on which the Grant is made. Explanation- since the shares of the Bank are listed on more than one stock exchange, the closing price on the stock exchange having higher trading volume shall be considered as the market price.
Intrinsic Value – The options intrinsic value means the excess of the market price of the share over the grant price of the option (including upfront payment, if any).	Deleted
Not provided	<i>Following to be inserted at the end of the Definition clause in the scheme:</i> Words and expressions used but not defined herein shall have the meaning ascribed to them in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, and any statutory modification or re-enactment thereto.
Applicability	
The Plan shall be applicable to YBL and its subsidiaries.	The Plan shall be applicable to the Employees.
Maximum options per Employee	
The maximum options per employee will be fixed at 1.5 million options Further, a director who either by himself or through his relative or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the company shall not be eligible to participate in the Plan.	The maximum options per Employee will be fixed at 2.5 million options
Grant Price	
All grants under this scheme will be offered to the employees at market price of the shares of Yes Bank. (determined in accordance with the provisions of the Securities & Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999) (refer Point No 25 of this Scheme) The BRC may 'reprice' the options which are not exercised (whether or not they have been vested) if the same are rendered unattractive due to fall in price of the shares in the market. (provided that the BRC ensures that such repricing shall not be detrimental to the interest of the employees and an approval of the shareholders in a General Meeting has been obtained for such repricing).	All grants under this scheme shall be offered to the Employees at market price of the shares of the Bank (determined in accordance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014). The N&RC may reprice the options, as the case may be which are not exercised, whether or not they have been vested if the scheme was rendered unattractive due to fall in the price of the shares in the stock market: Provided that the N&RC ensures that such repricing shall not be detrimental to the interest of the Employees and approval of the shareholders in general meeting has been obtained for such repricing.
Grant Date	
The Grant date will be decided by BRC for each tranche.	Deleted
Administration	
The Plan shall be administered by the BRC. i) The Committee shall have the final authority to administer the Plan, prescribe and amend any rules in the Plan. ii) The Committee shall be responsible for taking all decisions regarding the administration of the Plan such as: ♦ Develop and administer grant guidelines including dates for exercising of options ♦ Determine the amount and methodology used to pay any interim advances	The Plan shall be administered by the N&RC. i) The Committee shall have the final authority to administer the Plan, prescribe and amend any rules in the Plan. ii) The Committee shall be responsible for taking all decisions regarding the administration of the Plan such as: ♦ Develop and administer grant guidelines including dates for exercising of options ♦ Determine the amount and methodology used to pay any interim advances

<p>◆ Any other decision which pertains to the administration of the Plan</p> <p>iii) The Committee and others to whom the Committee has delegated such duties shall maintain all such books of account, records and data as may be required to administer the Plan.</p> <p>iv) The Committee shall put appropriate systems in place to prevent the incidence of any insider trading.</p> <p>v) The MD & CEO would determine the option allocation to employees under the delegated authority from the BRC. The allocation list may be circulated to the members of the BRC for confirmation.</p> <p>The Grant Price of the options would be based on the "Intrinsic Value" method using the "Market Price" as defined in the Securities & Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.</p>	<p>◆ Any other decision which pertains to the administration of the Plan</p> <p>iii) The Committee and others to whom the Committee has delegated such duties shall maintain all such books of account, records and data as may be required to administer the Plan.</p> <p>iv) The Bank shall frame suitable policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 by the Bank and its Employees, as applicable.</p>
Compliances	
<p>The Bank as well as the BRC must ensure that there must exist no non compliances with the following regulations by the Bank or its employees as required by Securities & Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999:</p> <ul style="list-style-type: none"> ◆ Securities and Exchange Board of India (Insider Trading) Regulations, 1992; and ◆ Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995. 	<p>The Bank as well as the N&RC must ensure that there must exist no non compliances by the Bank or its Employees as required by Securities & Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 with respect to the securities laws, as amended from time to time, including the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003.</p> <p>Notwithstanding anything contained herein the provisions of this scheme shall at all times be subject to the aforesaid regulations, as amended from time to time and all other applicable laws, circulars, guidelines as may be issued in relation thereto by any regulatory/ statutory authority from time to time ("applicable regulations").</p> <p>In the event of any inconsistency between the terms herein contained and the applicable regulations, the applicable regulations shall prevail.</p>
Disability Separation	
<p>If the Bank terminates the employment of an employee because in the opinion of the Bank, the Employee has become physically incapacitated, the options granted to the employee, vested as well as unvested, will stand vested and become exercisable within a period of 60 days from the date of such separation. If the same are not exercised within this time period, the options would lapse.</p>	<p>If the Bank terminates the employment of an Employee because in the opinion of the Bank, the Employee has become physically incapacitated, the options granted to the Employee, vested as well as unvested, will stand vested and become exercisable within a period of 6 months from the date of such separation. If the same are not exercised within this time period, the options would lapse.</p>
Retirement	
<p>If an Employee's employment terminates due to retirement, the options granted to the employee, vested as well as unvested, will stand vested and become exercisable within a period of 60 days from the date of retirement. If the same are not exercised within this time period, the options would lapse.</p>	<p>If an Employee's employment terminates due to retirement, the options granted to the employee, vested as well as unvested, will stand vested and become exercisable within a period of 6 months from the date of retirement. If the same are not exercised within this time period, the options would lapse.</p>
Death	
<p>In the event of death of an employee, all options granted to the employee, vested as well as unvested, will stand vested and become exercisable by the beneficiary within a period of 60 days from the date of death. If the same are not exercised within this time period, the options would lapse.</p>	<p>In the event of death of an employee, all options granted to the employee, vested as well as unvested, will stand vested and become exercisable by the beneficiary within a period of 6 months from the date of death. If the same are not exercised within this time period, the options would lapse.</p>
Determination of Market Price, Intrinsic Value, Fair Value and Grant Price	
<p>Market Price</p> <p>The closing market price of the shares of YBL listed on a stock exchange, prior to the date of the meeting of the Board of Directors (or 'BRC') in which the options are granted. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volumes on the said date shall be considered.</p> <p>Grant Price</p> <p>The Grant Price under this Plan would equal the Market Price (as determined above). Accordingly, the closing price on the stock exchange with greater trading volumes one day prior to the date of grant would be the grant price on the respective grant dates for the purpose of this plan. This would ensure there is no charge/debit (due to grant of options at a discount) to the Profit & Loss statement over the vesting period.</p> <p>Intrinsic Value</p> <p>Market Price (as determined above) less the Grant Price (as determined above) which would necessarily be NIL in this Plan ensuring there is no charge / debit to the Profit & Loss statement due to grant of options at a discount.</p> <p>Fair Value</p> <p>Since YBL would use the Intrinsic Value of the options for the purpose of grant under this Plan, the discount / charge that shall have been recognized if the Fair Value method was used, over and above any charge that is being recognized through the usage of the Intrinsic Value method, if any would need to be disclosed in the Directors' Report along with the impact of this difference on profits and Earnings Per Share of the Bank.</p> <p>Further, the risk free interest rate, the life of the options, the expected volatility and dividend, etc (including any weighted average assumptions) used for the purpose of determining the Fair Value shall be disclosed in the Directors Report.</p>	<p>Deleted</p>

In addition to the above changes, wherever in the Scheme the reference has been made to the Guidelines, the same shall be deemed to be made to the Regulations and reference to the Board Remuneration Committee shall be deemed to be made to the Nomination & Remuneration Committee (N&RC).

Except the above, the other terms and conditions of the Scheme as approved by the Members shall remain unchanged.

The employees of the Subsidiaries of the Bank are also covered under the Scheme. However, the benefits and coverage under the Scheme will also be extended to the Employees of the Associate Companies of the Bank, as may be decided by the N&RC, as may be required in future. Further, employees of the Bank, who would be granted options under the Scheme, may get transferred/ deputed to these subsidiaries or associate companies, if any. Accordingly, increase in the maximum numbers of grants per employees from 15 lakhs options to 25 lakhs options shall also be applicable to the employees of the subsidiaries or associate companies, if any, and to those employees of the subsidiaries or associates companies, if any, who have been transferred/ deputed from the Bank. Options granted to the employees of the subsidiaries or associate companies, if any, and to those employees of the subsidiaries or associate companies, if any, who have been transferred/ deputed from the bank shall also be within the overall limit of 4.50 Crore. Further, the beneficiaries of the variation are not ascertainable at this stage and shall be decided/ approved by the Nomination & Remuneration Committee, from time to time, in accordance with the terms of the Scheme and applicable Regulations, guidelines, circulars issued from time to time.

As per SEBI Regulations, approval of Members by way of separate special resolution shall be obtained by the Bank, if the benefits of the 'Employee Stock Option Scheme' are to be extended to the employees of the subsidiary or holding or associate company. Separate Resolution under this Notice at Item No. 4 is being proposed accordingly to cover the aforementioned employees.

Further as per SEBI Regulations, any amendment to the Scheme by the Bank requires the approval of the Members by way of special resolution. The aforesaid amendments in the Scheme are not prejudicial to the interests of the option holders covered under the Scheme.

A copy of the draft amended Scheme would be available for inspection without any fee by the Members on all working days between 10.00 A.M. and 12.00 Noon upto **Thursday, January 15, 2015** at the registered office of the Bank.

Your Directors, therefore, recommend the passing of the resolution(s) as set forth in Item Nos. 3&4 of this Notice as Special Resolution(s).

Save and except Mr. Rajat Monga, CFO and Mr Shivanand R Shettigar, Company Secretary to the extent of options granted to them respectively under the Scheme, none of the Directors nor other Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution(s).

By Order of the Board



Shivanand R. Shettigar
Company Secretary

Place: Mumbai

Date: December 5, 2014

Profile of Ms Radha Singh as required under Clause 49 of the Listing Agreement:

Ms. Radha Singh, aged 68 years, obtained Masters' Degree in Public Policy & Administration from Harvard University, USA and M.A. in Social and Political Sciences from University of Delhi, India. Ms. Radha Singh was member of Indian Administrative Service (IAS) and retired as Union Agriculture Secretary in November 2006. Ms. Singh has 39 years of experience in public service in areas of rural and agriculture development, water resources, public finance and institution building. She was responsible for formulation and implementation of the Agriculture Policy, Ms. Singh has been involved in strengthening and building resilience in this sector through specific targeted initiatives. These include increasing investments in programmes for diversification into high value agriculture. Ms. Singh made significant contribution for Operationalisation of the Protection of Plant Varieties and Farmers' Right for safeguarding interest of breeders. She also launched the National Horticulture Mission and Bamboo Mission to double the horticulture and bamboo production in the country. She has assisted in establishment of the National Rainfed Area Authority for a holistic solution to deal with the problems of rainfed agriculture which accounts for 60% of Indian agriculture. In her capacity as Agriculture Secretary, Ms. Singh also headed multifarious organisations as Board Member of the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT); Chairperson, Managing Committee, National Horticulture Board (NHB); Chairperson, Managing Committee, National Oil Seeds and Vegetable Oils Development Board (NOVOD); Chairperson, Executive Council of National Institute of Agricultural Marketing (NIAM); Vice-Chairperson, Board of Management, National Cooperative Development Corporation (NCDC); Vice-President, Board of Management, Small Farmers' Agri-Business Consortium (SFAC); Chairperson, National Institute of Agricultural Extension Management (MANAGE) and Chairperson of the National Bee Board.

Ms. Singh has been a strong advocate of South Cooperation in the field of Agriculture and staunchly supported developing partnership with Countries, through positive action and technical assistance in the field of Agriculture. She was with the World Bank in Washington, U.S.A. as an Institutional Specialist and in other capacities for six years (1992-98). Currently Ms. Singh is Agriculture Advisor to FICCI, Secretary of The Rajendra Bhawan Trust, New Delhi, a charitable organization in memory of the first President of the Country and Foundation Board Member of Syngenta Foundation for Sustainable Agriculture.

Currently, Ms. Radha Singh is the Chairperson of Corporate Social Responsibility Committee and Member of Audit Committee, Risk Monitoring Committee, Nomination & Remuneration Committee and Board Credit Committee. She does not hold any shares of the Bank. Details of her other Directorships are given hereunder:

Sr.No	Name of the other Companies in which Directorship was held
1	Chambal Fertilizers and Chemicals Limited
2	LT Foods Limited

By Order of the Board



Shivanand R. Shettigar
Company Secretary

Place: Mumbai

Date: December 5, 2014