

FINO PAYMENTS BANK LIMITED

Registered Office: Mindspace Juinagar, 8th Floor, Plot No. Gen 2/1/F, Tower 1, TTC Industrial Area,
MIDC Shirwane, Juinagar, Navi Mumbai, Thane - 400706
CIN: L65100MH2007PLC171959 E-mail: basavraj.ioni@finobank.com
Website: www.finobank.com Phone: +91 22 7104 7000

POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, each as amended and applicable circulars issued by the Ministry of Corporate Affairs, Government of India, from time to time]

VOTING STARTS ON	VOTING ENDS ON
Thursday, March 31, 2022 at 9:00 a.m. (IST)	Friday, April 29, 2022 at 5:00 p.m. (IST)

Dear Members,

NOTICE is hereby given pursuant to Section 110 read with Section 108 and other applicable provisions, if any, of the Companies Act, 2013, (the “Act”) read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, (‘Rules’) (including any statutory modification or re-enactment thereof for the time being in force), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’), Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India (‘SS-2’), each as amended, and in accordance with the guidelines prescribed by the Ministry of Corporate Affairs (‘MCA’) for holding general meetings/conducting postal ballot process through e-voting vide General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021 and Circular No. 20/2021 dated December 8, 2021, in view of the COVID-19 pandemic (collectively the ‘MCA Circulars’), to transact the special business as set out hereunder by passing Ordinary/Special Resolutions by the Members of Fino Payments Bank Limited (the “Bank”) through Postal Ballot via remote e-voting.

Pursuant to Section 102 and Section 110 and other applicable provisions of the Act, the statement pertaining to the said Resolutions setting out the material facts and the reasons/rationale thereof is annexed to this Postal Ballot Notice for your consideration and forms part of this Postal Ballot Notice (‘Notice’).

On account of the ongoing COVID-19 pandemic and in terms of the requirements specified in the MCA Circulars, the Bank is sending this Notice only in electronic form, to those Members whose e-mail addresses are registered with the Bank/Depositories. Accordingly, physical copy of the Notice along with Postal Ballot Form and pre-paid business reply envelope is not being sent to the Members for this Postal Ballot. The communication of the assent or dissent of the Members would take place only through the remote e-voting system.

In compliance with Regulation 44 of the SEBI Listing Regulations and pursuant to the provisions of Section 108 and Section 110 of the Act read with the Rules, the MCA Circulars and SS-2, the Bank is providing remote e-voting facility to its Members, to enable them to cast their votes electronically instead of submitting the Postal Ballot Form physically. The Bank has engaged the services of National Securities Depository Limited (‘NSDL’) for the purpose of providing remote e-voting facility to its Members. The instructions for remote e-voting are appended to this Notice. The Notice is also available on the website of the Bank www.finobank.com

Members desiring to exercise their vote through the remote e-voting process are requested to carefully read the instructions indicated in this Notice and record their assent (FOR) or dissent (AGAINST) by following the procedure as stated in the Notes forming part of the Notice for casting of votes by remote e-voting not later than 5.00 p.m. (IST) on Friday, April 29, 2022. The remote e-voting facility will be disabled by NSDL immediately thereafter.

SPECIAL BUSINESS

1. Increase in Authorised Share Capital of the Bank and Alteration of Capital Clause of Memorandum of Association of the Bank.

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

"RESOLVED THAT pursuant to the provisions of section(s) 13, 61, 64 and other applicable provisions, if any of the Companies Act, 2013 (the "Act") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the rules made thereunder, as amended from time to time and subject to the approval of Reserve Bank of India, if any, and the provisions of the Memorandum and Articles of Association of the Bank, consent of the members of the Bank be and is hereby accorded for increasing the Authorised Share Capital of the Bank from the existing Authorised Share Capital of ₹ 85,00,00,000/- (Rupees Eighty Five Crores Only) divided into 8,50,00,000 (Eight Crores and Fifty Lakhs) Equity Shares of face value of ₹ 10/- (Rupees Ten Only) each to ₹ 110,00,00,000/- (Rupees One Hundred and Ten Crores Only) divided into 11,00,00,000 (Eleven Crores) Equity Shares of face value of ₹ 10/- (Rupees Ten Only) each by creation of additional 2,50,00,000 (Two Crores and Fifty Lakhs) Equity Shares of face value of ₹ 10/- (Rupees Ten Only) each aggregating to ₹ 25,00,00,000 (Rupees Twenty Five Crores Only) ranking pari-passu with the existing equity shares of the Bank.

RESOLVED FURTHER THAT the existing Clause V of Memorandum of Association of the Bank be and is hereby amended by substituting the same with the following Clause V:

"V The Authorised Share Capital of the Bank is ₹ 110,00,00,000/- (Rupees One Hundred and Ten Crores only) divided into 11,00,00,000 (Eleven Crores) Equity Shares of face value of ₹ 10/- (Rupees Ten Only) each. The Bank has the power to divide the share capital for the time being into several classes and to increase or reduce its capital from time to time and to vary, modify or abrogate any rights, privileges or conditions attached to any class of shares in such manner as may for the time being provided by the regulations of the Bank. Any shares of the original or increased capital may from time to time be issued with guarantee or any right of preference whether in respect of dividend or of repayment of capital or both or any special privileges or advantage over any share previously issued or then about to be issued or with deferred or qualified rights as compared with any share previously issued or subject to any provision of conditions and with any special right or limited right or without any right of voting and generally on such terms as the Bank may from time to time determine."

RESOLVED FURTHER THAT the Board of Directors ('the Board') [which term shall include any Committee authorised by the Board to exercise its powers including powers conferred on the Board by this resolution] of the Bank be and is hereby authorised to do all such acts, deeds, matters, things and take all such steps as may be necessary, proper, expedient or desirable for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

2. Re-appointment of Mr. Mahendra Kumar Chouhan (DIN: 00187253) as an Independent Director of the Bank

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

"RESOLVED THAT pursuant to provision of Section 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 (the "Act"), the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations') as amended from time to time and applicable provisions of the Banking Regulation Act, 1949 and other applicable laws, guidelines applicable to Payments Bank and relevant circulars issued by the Reserve Bank of India ("RBI") from time to time, including any amendments, modifications,

variations or re-enactments thereof and in accordance to Articles of Association of the Bank and pursuant to the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Bank for the re-appointment of Mr. Mahendra Kumar Chouhan (DIN: 00187253), Independent Director of the Bank, whose period of office is expiring on May 1, 2022, and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and who is eligible for re-appointment for a second term under the provisions of the Act and rules made thereunder and SEBI Listing Regulations and in respect of whom the Bank has received a notice in writing from a member proposing his candidature for the office of Director pursuant to Section 160 of the Act, 2013, be and is hereby re-appointed as an Independent Director of the Bank for a second term of three (3) years with effect from May 2, 2022 to May 1, 2025, not liable to retirement by rotation.”

3. Re-appointment of Dr. Punita Kumar - Sinha (DIN: 05229262) as an Independent Director of the Bank

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

“RESOLVED THAT pursuant to provision of Section 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 (the “Act”) and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (‘SEBI Listing Regulations’) as amended from time to time and applicable provisions of the Banking Regulation Act, 1949 and other applicable laws, guidelines applicable to Payments Bank and relevant circulars issued by the Reserve Bank of India (“RBI”) from time to time, including any amendments, modifications, variations or re-enactments thereof and in accordance to Articles of Association of the Bank and pursuant to the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Bank for the re-appointment of Dr. Punita Kumar - Sinha (DIN: 05229262), Independent Director of the Bank, whose period of office is expiring on May 1, 2022, and who has submitted a declaration that she meets the criteria of independence under Section 149(6) of the Act and who is eligible for re-appointment for a second term under the provisions of the Act and rules made thereunder and SEBI Listing Regulations and in respect of whom the Bank has received a notice in writing from a member proposing her candidature for the office of Director pursuant to Section 160 of the Act be and is hereby re-appointed as an Independent Director of the Bank for a second term of three (3) years with effect from May 2, 2022 to May 1, 2025, not liable to retirement by rotation.”

4. Ratification of the ‘Fino Payments Bank Limited - Employees Stock Option Policy, 2020’

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

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 and applicable rules made thereunder (including any amendment(s), statutory modification(s) or re-enactment thereof) (the “Act”), in accordance with the provisions of the Memorandum of Association and Articles of Association of the Bank, applicable provisions of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI SBEB & SE Regulations”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the applicable provisions of the Foreign Exchange Management Act, 1999, including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof (“FEMA”), the extant consolidated Foreign Direct Investment Policy, as amended and replaced from time to time (“FDI Policy”), the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, as amended and Master Directions issued by Reserve Bank of India, from time to time and such other applicable rules, regulations, guidelines, notifications, circulars and clarifications issued/ to be issued thereon by the Government of India (“GOI”), the Reserve Bank of India (“RBI”), the Securities and Exchange Board of India (“SEBI”), the BSE Limited and National Stock Exchange of India Limited (“Stock Exchanges”) where the equity shares of the Bank are listed and/or any other regulatory/ statutory authorities under any other applicable law, from time to time (hereinafter severally or collectively referred to as the “Appropriate Authorities”) to the extent applicable and subject to the term(s),

condition(s) modification(s), consent(s), sanction(s) and approval(s) of any of the Appropriate Authorities and guidelines and clarifications issued thereon from time to time and subject to such conditions and modifications as may be prescribed by any of them while granting such terms, conditions, modifications, approvals, consents and sanctions, the “Fino Payments Bank Limited – Employee Stock Option Policy, 2020 (“ESOP 2020”) as formulated and approved by the members of the Bank on May 17, 2021 and subsequent amendments approved by the members from time to time prior to Initial Public Offer (“IPO”) of the Bank, consent of the members of the Bank be and is hereby accorded for ratification of the “Fino Payments Bank Limited – Employee Stock Option Policy, 2020 (“ESOP 2020”) and the consent of the members of the Bank be and is hereby accorded to the Board of Directors of the Bank (hereinafter referred to as the “Board” which term shall be deemed to include the Nomination & Remuneration Committee of the Bank (“NRC”) which also acts as the Compensation Committee constituted by the Board to exercise its powers, including the powers, conferred by this resolution and/or such other persons as may be authorised in this regard by the Board and/or NRC) to create, offer, issue, reissue, grant, transfer and allot options, at any time, to or for the benefit of the employee(s) /directors of the Bank (as may be permitted under applicable laws) and to issue fresh options, re-issue options that may have lapsed / cancelled / surrendered, already granted under the ESOP 2020.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot equity shares upon exercise of options, from time to time, in accordance with the ESOP 2020.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the equity shares to be allotted under the ESOP 2020 on the Stock Exchanges as per the provisions of the SEBI Listing Regulations, SEBI SBEB & SE Regulations and other applicable laws and regulations.

RESOLVED FURTHER THAT the equity shares to be allotted by the Bank shall rank pari passu in all respects with the then existing equity shares of the Bank.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger/ amalgamation or sale of division/ undertaking or others, if any additional Shares are required to be issued by the Bank to the option grantees for the purpose of making a fair and reasonable adjustment to Options granted earlier, the ceiling in terms of number of Options and Shares specified in the ESOP 2020 shall be deemed to be increased to the extent of such additional Shares required to be issued.

RESOLVED FURTHER THAT in case the equity shares of the Bank are either sub-divided or consolidated, the number of Options to be granted by the Bank and Shares to be issued by the Bank, shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 10/- per Share shall bear to the revised face value of the Shares of the Bank after such sub-division or consolidation, and the ceiling in terms of number of Options and Shares specified in ESOP 2020 shall be deemed to be adjusted accordingly.

RESOLVED FURTHER THAT the Board be and is hereby authorized without prejudice to the generality of the above, but subject to the terms, as approved by the members, to implement, formulate, evolve, decide upon and bring into effect the ESOP 2020 on such terms and conditions as broadly contained in the explanatory statement and to make any further modification(s), change(s), variation(s), alteration(s) or revision(s) in the terms and conditions of the ESOP 2020, from time to time, including but not limited to, amendment(s) with respect to vesting conditions, period and schedule, exercise price, exercise period, performance/ eligibility criteria for grant/ vesting or to suspend, withdraw, terminate or revise the ESOP 2020 in such a manner as the Board or any other person authorized by the Board may determine.

RESOLVED FURTHER THAT the Bank shall conform to the accounting policies prescribed from time to time under the SEBI SBEB & SE Regulations and any other applicable laws and regulations to the extent relevant and applicable to the amended ESOP 2020.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters, and things, as it may, in its absolute discretion deem necessary including but not limited to appoint Advisors, Merchant Bankers, Consultants or Representatives, being incidental for the effective implementation and

administration of the ESOP 2020 and to make applications to the appropriate Authorities, for their requisite approvals and to take all necessary actions and with power on behalf of the Bank to settle all such questions, difficulties or doubts whatsoever that may arise while implementing this resolution without requiring the Board to secure any further consent or approval of the members of the Bank.

RESOLVED FURTHER THAT the Board be and is hereby also authorized to nominate and appoint one or more persons for carrying out any or all of the activities that the Board is authorized to do for the purpose of giving effect to this resolution.”

5. Approval of the amendment in the ‘Fino Payments Bank Limited - Employees Stock Option Policy, 2020’

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 by the members of the Bank on May 17, 2021 and subsequent amendment by the members from time to time approving the “Fino Payments Bank Limited – Employee Stock Option Policy, 2020 (“ESOP 2020”), pursuant to the provisions of Regulation 7 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021, as amended and enacted from time to time, read with all circulars and notifications issued thereunder (“SEBI SBEB & SE Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (the “Act”), in accordance to the provisions of the Memorandum and Articles of Association of the Bank, consent of the members of the Bank be and is hereby accorded to amend the “Fino Payments Bank Limited - Employees Stock Option Policy, 2020” (“ESOP 2020”) by inserting a following new clause 3.1A (after clause 3.1) in the ESOP 2020 with a view to increase the 12,48,215 additional employee stock options (“Options”) over & above the existing Options as per existing ESOP 2020.

3.1A. Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meetings held on March 23, 2022, subject to the approval of the Shareholders has approved to grant further 12,48,215 Employee Stock Options exercisable into a maximum of 12,48,215 Shares (“Additional ESOP Pool”). Where Shares are issued or acquired consequent to an exercise of a Vested Option under ESOP 2020, the Additional ESOP Pool or the maximum number of Shares that can be issued or acquired under ESOP 2020 as referred to this Clause will stand reduced to the extent of such issued or acquired Shares.

RESOLVED FURTHER THAT the consent of the members of the Bank be and is hereby accorded to the Board of Directors of the Bank (hereinafter referred to as the “Board” which term shall be deemed to include the Nomination & Remuneration Committee of the Bank (“NRC”) which also acts as the Compensation Committee constituted by the Board to exercise its powers, including the powers, conferred by this resolution and/or such other persons as may be authorised in this regard by the Board and/or NRC) to create, offer, issue, reissue, grant, transfer and allot options, at any time, to or for the benefit of the employee(s) /directors of the Bank (as may be permitted under applicable laws) and to issue fresh options, re-issue options that may have lapsed / cancelled / surrendered, already granted under the ESOP 2020.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot equity shares upon exercise of options, from time to time, in accordance with the ESOP 2020.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the equity shares to be allotted under the ESOP 2020 on the Stock Exchanges as per the provisions of the SEBI Listing Regulations, SEBI SBEB & SE Regulations and other applicable laws and regulations.

RESOLVED FURTHER THAT the equity shares to be allotted by the Bank shall rank pari passu in all respects with the then existing equity shares of the Bank.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger/ amalgamation or sale of division/ undertaking or others, if any additional Shares are required to be issued by

the Bank to the option grantees for the purpose of making a fair and reasonable adjustment to Options granted earlier, the ceiling in terms of number of Options and Shares specified in the ESOP 2020 shall be deemed to be increased to the extent of such additional Shares required to be issued.

RESOLVED FURTHER THAT in case the equity shares of the Bank are either sub-divided or consolidated, the number of Options to be granted by the Bank and Shares to be issued by the Bank, shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 10/- per Share shall bear to the revised face value of the Shares of the Bank after such sub-division or consolidation, and the ceiling in terms of number of Options and Shares specified in ESOP 2020 shall be deemed to be adjusted accordingly.

RESOLVED FURTHER THAT the Board be and is hereby authorized without prejudice to the generality of the above, but subject to the terms, as approved by the members, to implement, formulate, evolve, decide upon and bring into effect the ESOP 2020 on such terms and conditions as broadly contained in the explanatory statement and to make any further modification(s), change(s), variation(s), alteration(s) or revision(s) in the terms and conditions of the ESOP 2020, from time to time, including but not limited to, amendment(s) with respect to vesting conditions, period and schedule, exercise price, exercise period, performance/ eligibility criteria for grant/ vesting or to suspend, withdraw, terminate or revise the ESOP 2020 in such a manner as the Board or any other person authorized by the Board may determine.

RESOLVED FURTHER THAT the Bank shall conform to the accounting policies prescribed from time to time under the SEBI (SBEB & SE) Regulations and any other applicable laws and regulations to the extent relevant and applicable to the amended ESOP 2020.”

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters, and things, as it may, in its absolute discretion deem necessary including but not limited to appoint Advisors, Merchant Bankers, Consultants or Representatives, being incidental for the effective implementation and administration of the ESOP 2020 and to make applications to the appropriate authorities, for their requisite approvals and to take all necessary actions and with power on behalf of the Bank to settle all such questions, difficulties or doubts whatsoever that may arise while implementing this resolution without requiring the Board to secure any further consent or approval of the members of the Bank.

RESOLVED FURTHER THAT the Board be and is hereby also authorized to nominate and appoint one or more persons for carrying out any or all of the activities that the Board is authorized to do for the purpose of giving effect to this resolution.”

6. Approval/Reinstatement of right to nominate directors pursuant to Article 104 of the Articles of Association of the Bank

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

“**RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 2013 and the rules made thereunder, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (“SEBI Listing Regulations”), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”), the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder and other applicable laws, rules and regulations, guidelines including any statutory modifications thereof for the time being in force and the Articles of Association of the Bank, the approval of members of the Bank be and is hereby accorded to ratify, re-confirm, reinstate and approve Article 104 of the Articles of Association of the Bank as reproduced below :

“104. The Board shall with the approval of the Company in General Meeting appoint the non-retiring Directors from persons nominated by FINO PayTech Limited, so long as FINO PayTech Limited

singly or in aggregate holds not less than 40% of the paid-up equity shares Capital in the Company.”

RESOLVED FURTHER THAT the Board of Directors of the Bank including any committee thereof be and is hereby authorised to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient, in the best interest of the Bank.”

Registered Office:

Mindspace Juinagar, 8th Floor,
Plot No. Gen 2/1/F, Tower 1,
TTC Industrial Area, MIDC Shriwane,
Juinagar, Navi Mumbai, Thane -400706
CIN: L65100MH2007PLC171959
Email: basavraj.loni@finobank.com
Website: www.finobank.com

Place: Navi Mumbai
Date: 23.03.2022

By Order of the Board of Directors
For **Fino Payments Bank Limited**

Sd/-

Basavraj Loni

Company Secretary & Compliance Officer

Membership No. ACS: 23095

NOTES:

1. An explanatory statement pursuant to Sections 102 and 110 of the Companies Act, 2013 (the "Act"), setting out all material facts relating to the resolutions in this Notice are appended herein below for information and consideration of Members and the same should be considered as part of this Notice.
2. On account of the outbreak of the COVID-19 pandemic and in accordance with the MCA circulars, the Bank is sending the Postal Ballot Notice in electronic form only, instead of dispatching hard copy of the Notice along with Postal Ballot Form and pre-paid business reply envelope to the Members for this Postal Ballot.
3. The Postal Ballot Notice is being sent by e-mail to all Members, whose names appear in the Register of Members / Register of Beneficial Owners maintained by the Depositories, National Securities Depository Limited (the "NSDL") and Central Depository Services (India) Limited (the "CDSL") as on Friday, March 25, 2022 (the "Cut-Off Date") and who have registered their e-mail addresses, in respect of electronic holdings, with the Depository through the concerned Depository Participants and in respect of physical holdings, with the Registrar and Share Transfer Agent of the Bank, KFin Technologies Limited (the "RTA"), in accordance with the provisions of the Act read with the Rules made thereunder and the framework provided under the MCA circulars. Cut-Off Date is for determining the eligibility to vote by electronic means. A person who is not a member as on the Cut-Off Date should treat this Notice for information purpose only. This Notice is also available at the Bank's website: www.finobank.com and the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com and on the website of NSDL at www.evoting.nsdl.com The voting rights of the Members shall be in proportion to their share of the paid-up equity share capital of the Bank as on the Cut-Off Date.

It is however, clarified that all Members of the Bank as on the Cut-Off date (including those Members who may not have received this Notice due to non-registration of their e-mail address with the Bank /RTA/Depositories) shall be entitled to vote in relation to the aforementioned Resolutions in accordance with the process specified in this Notice.

4. In compliance with the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations as amended from time to time, read with SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on remote e-voting facility provided by listed entities, and the applicable MCA circulars, the Bank is pleased to offer remote e-voting facility to Members to cast their vote electronically.
5. The Bank has engaged NSDL ("Service Provider") for facilitating remote e-voting to enable the Members to cast their votes electronically instead of dispatching Postal Ballot Form for this Postal Ballot.
6. The remote e-voting shall commence on Thursday, March 31, 2022 at 9.00 a.m. (IST) and shall end on Friday, April 29, 2022 at 5.00 p.m. (IST). During this period, Members of the Bank holding shares in physical or electronic form as on the Cut-Off Date may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.
7. The Board of Directors has appointed Mr. Tribhuvneshwar Kaushik and in his absence, Mr. Savyasachi Joshi of M/s. Kaushik Joshi & Co., Practising Company Secretaries., as the Scrutinizer, for conducting the Postal Ballot process in a fair and transparent manner.
8. The Scrutinizer will submit his report to the Chairman, or any other person authorised by him, after scrutiny of the votes cast, on the result of the Postal Ballot on or before Sunday, May 01, 2022. The Scrutinizer's decision on the validity of votes cast will be final.
9. The Results declared along with the Scrutinizer's Report shall be placed on the Bank's website www.finobank.com and on the website of NSDL www.evoting.nsdl.com immediately after the result is declared by the Chairman or any other person authorized by him, and the same shall be communicated to

the Stock Exchanges, where the equity shares of the Bank are listed. The results shall also be displayed on the notice board at the Registered Office of the Bank.

10. The Resolution, if passed by the requisite majority through Postal Ballot, will be deemed to have been passed on the last date specified for remote e-voting i.e. Friday, April 29, 2022.
11. Members may download the Notice from the Bank’s website at www.finobank.com or from NSDL’s website at www.evoting.nsdl.com. A copy of the Notice is also available on the website of BSE at www.bseindia.com and NSE at www.nseindia.com
12. The vote in this Postal Ballot cannot be exercised through proxy.
13. Relevant documents referred to in this Notice requiring the approval of the Members shall be available for inspection by the Members until 5:00 p.m. (IST) of the last date of remote e-voting of this Postal Ballot i.e. till Friday, April 29, 2022. Members who wish to inspect the documents are requested to send an email to basavraj.loni@finobank.com from their registered e-mail addresses mentioning their names, folio numbers/DP ID and Client ID and the documents they wish to inspect.
14. **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:**
 - a. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to basavraj.loni@finobank.com
 - b. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to basavraj.loni@finobank.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting for Individual shareholders holding securities in demat mode.**
 - c. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
15. **The instructions for Members for remote e-voting are as under:**
The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Ilisted ccompanies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

2. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nSDL.com>. Select “Register Online for IDeAS Portal” or click at <https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp>

Proceed to complete registration using your DP ID, Client ID, Mobile Number, etc. After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.

3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nSDL.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.



Individual Shareholders holding securities in demat mode with CDSL

1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or www.cdslindia.com and click on New System Myeasi.

2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.

3. If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>

4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.

Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.
--------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cDSLindia.com or contact at 022-23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can log-in at <https://eservices.nsdl.com> with your existing IDeAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 119627 then user ID is 119627001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?

- i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii. If your email ID is not registered, please follow the detailed procedure with respect to registration of e-mail addresses as mentioned in note no. 14 of this Notice.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option is available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option is available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
2. Select "EVEN" of Fino Payments Bank Limited.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cskaushikjoshi@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries/issues or grievances you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the download section of <http://www.evoting.nsdl.com> or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request

to Mr. Sanjeev Yadav, Assistant Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 at evoting@nsdl.co.in.

Registered Office:

Mindspace Juinagar, 8th Floor,
Plot No. Gen 2/1/F, Tower 1,
TTC Industrial Area, MIDC Shriwane,
Juinagar, Navi Mumbai, Thane -400706
CIN: L65100MH2007PLC171959
Email: basavraj.loni@finobank.com
Website: www.finobank.com

Place: Navi Mumbai
Date: 23.03.2022

By Order of the Board of Directors
For **Fino Payments Bank Limited**
Sd/-
Basavraj Loni
Company Secretary & Compliance Officer
Membership No. ACS: 23095

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

Item no. 1

Presently the Authorised Share Capital of the Bank is ₹ 85,00,00,000 and Paid-up Capital of the Bank is ₹ 83,21,43,020. Considering the overall business growth, future expansion and the operational needs of the Bank and in order to accommodate future allotment of shares, it is proposed to increase the Authorised Share Capital by ₹ 25 Crores as per applicable provisions of the Companies Act, 2013 and its corresponding rules, amendments thereof and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as amended from time to time.

Section 61 of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) provides that a limited company having a share capital may, if so authorized by its Articles of Association, with the consent of its members in its general meeting or through postal ballot, alter the conditions of its Memorandum of Association so as to increase its share capital by such amount as it thinks expedient by issuing new shares.

Article 4 of the Articles of Association of the Bank empowers the Bank to increase the share capital by the creation of new shares of such amount as may be deemed expedient.

In view of the above, the Board of Directors at its meeting held on March 23, 2022, has subject to approval of members and RBI as required, approved to increase the Authorised Share Capital of the Bank from ₹ 85,00,00,000/- (Rupees Eighty Five Crores Only) divided into 8,50,00,000 (Eight Crores and Fifty Lakhs) Equity Shares of face value of ₹ 10/- (Rupees Ten Only) each to ₹ 110,00,00,000/- (Rupees One Hundred and Ten Crores Only) divided into 11,00,00,000 (Eleven Crores) Equity Shares of face value of ₹ 10/- (Rupees Ten Only) each.

Consequently, the existing clause V of the Memorandum of Association of the Bank needs to be altered accordingly for deletion of the previous clause V of authorised share capital and substitution of the proposed increased Authorised Share Capital clause V, as mentioned in the resolution.

The above-mentioned increase in the Authorised Share Capital of the Bank and subsequent alteration of aforesaid clause of Memorandum of Association will require approval of the Members. The Board of Directors recommends the resolution at item no. 1 to be passed as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Bank and their relatives are in any way concerned or interested, financially or otherwise in the resolution.

Item no. 2

The Board of Directors at its meeting held on May 2, 2017 has approved the appointment of Mr. Mahendra Kumar Chouhan as Additional Director of the Bank in the capacity of Independent Director. Further, Shareholders of the Bank at their Annual General Meeting held on September 28, 2017 had approved the appointment of Mr. Mahendra Kumar Chouhan as an Independent Director of the Bank to hold office for a term upto 5 consecutive years commencing from May 2, 2017 till May 1, 2022.

Accordingly, the term of Mr. Mahendra Kumar Chouhan as an Independent Director of the Bank shall expire on May 1, 2022.

The Bank has received from Mr. Mahendra Kumar Chouhan (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 (ii) intimation in Form DIR-8 in terms of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act (iii) a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. (iv) Mr. Mahendra Kumar Chouhan meets the Fit and Proper criteria prescribed by the Reserve Bank of India ("RBI") and other applicable guidelines / circulars issued from time to time. Mr. Mahendra Kumar Chouhan has confirmed that he has not been debarred from holding office of a Director by virtue of any order passed by SEBI or any other such authority. Further, Mr. Mahendra Kumar Chouhan has also confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Bank.

Brief profile of Mr. Mahendra Kumar Chouhan in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with provision of the Secretarial Standard on General Meetings (SS-2) has been provided in this Explanatory Statement as under:

Age	66 years
Qualifications	Science graduate and MBA Finance
Experience / Brief Profile	Mr. Mahendra Kumar Chouhan is a part time chairman and an independent director of the Bank. He holds a bachelor's degree in science, and a master's degree in business administration from University of Indore. He also holds a certificate on Governing the Corporation: Global Perspectives in the Indian Context from the Wharton School, University of Pennsylvania, USA. He is a member of the International Integrated Reporting Council (IIRC), UK, Independent Appointment Committee of GRI, Amsterdam, Global Board of International Institute of Governance and Leadership, Amsterdam, and is a board member of IMC Chamber of Commerce & Industry. He holds a certificate from Global Corporate Governance Forum, IFC - World Bank Group, as trainer for the Board of Directors. He has previously served on policy making and regulatory committees such as SEBI Committee on Corporate Governance as well as the Ministry of Corporate Affairs Committee for the National Policy on Corporate Governance. He was also President of Bombay Management Association during 1999 - 2000. He has also served on the boards of a wide range of industries, such as financial services, capital goods, exposition, and housing. At present, he is a director of Mahendra & Ardneham Consulting Private Limited, a board advisory consulting company, and is a visiting faculty at Jamanlal Bajaj Institute of Management Studies.
Date of first appointment on the Board	May 2, 2017
Number of Meetings of the Board attended during the year	14 (till the date of this Postal Ballot Notice)
Directorships, Trusteeships, Partnerships, etc. held in other companies, firms, trusts, entities, etc.	<ul style="list-style-type: none"> i. NESCO Limited ii. Mahendra and Ardneham Consulting Private Limited iii. IMC Chamber of Commerce and Industry iv. MIMS Consultants Private Limited v. Allcargo Logistics Limited
Memberships / chairmanships of committees of the Boards of other companies	<p>NESCO Limited</p> <ul style="list-style-type: none"> i. Audit Committees (Chairperson) ii. Nomination and Remuneration Committee (Member) iii. CSR Committee (Member) iv. Risk Management Committee (Member)
Listed entities from which the person has resigned from the directorship in the past three years	None
Number of shares held in the Bank (including shareholding as a beneficial owner)	None
Terms and conditions of re-appointment including details of remuneration	<p>Mr. Mahendra Kumar Chouhan is proposed to be re-appointed for a second term of 3 years commencing from May 2, 2022 till May 1, 2025 and shall continue to be entitled to receive remuneration by way of sitting fees as well as reimbursement of expenses for attending Board and Committee meetings as applicable till the end of his proposed tenure.</p> <p>Mr. Mahendra Kumar Chouhan received total remuneration (i.e. sitting fees) of ₹ 42,50,000/- during FY 2021-22 (till the date of this postal ballot notice)</p>
Justification for appointment and skills and capabilities required for the role and the manner in which	Based on the recommendations of the Nomination and Remuneration Committee ('NRC') and pursuant to (a) evaluation of Mr. Mahendra Kumar Chouhan as a Member of the Board and Committees; (b) his

the proposed person meets such requirements	background, experience and contribution to the Board and Committee deliberations; (c) the leadership he provides to the Bank, as its Part time Chairperson; and (d) that his continued association would be beneficial to the Bank, the Board, at its meeting held on March 23, 2022, proposed to recommend to the Members the re-appointment of Mr Mahendra Kumar Chouhan as an Independent Director of the Bank, not liable to retire by rotation, for further 3 years as second term effective from May 2, 2022 till May 1, 2025. Further, the Bank has, in terms of Section 160(1) of the Act, received a notice in writing from a Member proposing the candidature of Mr. Mahendra Kumar Chouhan for the office of Director.
Nature of expertise in specific functional areas	Banking and Corporate Governance
Relationship with other Directors, Managers and Key Managerial Personnel of the Bank	None

In the opinion of the Board, Mr. Mahendra Kumar Chouhan is a person of integrity, fulfils the conditions specified in the Act and the Rules made thereunder read with the provisions of the SEBI Listing Regulations, each as amended, and is independent of the Management of the Bank.

Section 149 of the Act allows independent directors to be appointed for two (2) consecutive terms of maximum five (5) years each. However pursuant to section 10A (2A) of the Banking Regulations Act, 1949 and other applicable regulations/guidelines prescribed by RBI, the Board of Directors at its meeting held on March 23, 2022 had subject to approval of Members through special resolution approved the re-appointment of Mr. Mahendra Kumar Chouhan as an Independent Director of the Bank, not liable to retire by rotation, for a second term of 3 years commencing from May 2, 2022 till May 1, 2025.

In terms of Sections 149, 152 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made thereunder, and in terms of the applicable provisions of the SEBI Listing Regulations, each as amended, the re-appointment of Mr. Mahendra Kumar Chouhan as an Independent Director of the Bank for a second term of 3 years commencing May 2, 2022 till May 1, 2025 is being circulated to Members for their approval by way of a special resolution. Mr. Mahendra Kumar Chouhan, if re-appointed, will not be liable to retire by rotation.

None of the Directors, Key Managerial Personnel and their relatives, other than Mr. Mahendra Kumar Chouhan to whom the resolution relates, are concerned or interested or financially or otherwise, in the Resolution mentioned at Item No. 2 of the Notice.

The Board recommends the Special Resolution set forth in Item No. 2 for the approval of the Members.

Item no. 3

The Board of Directors at its meeting held on May 2, 2017 has approved the appointment of Dr. Punita Kumar - Sinha as an Additional Director of the Bank in the capacity of Independent Director. Further, Shareholders of the Bank at their Annual General Meeting held on September 28, 2017 had approved the appointment of Dr. Punita Kumar - Sinha as an Independent Director of the Bank to hold office for a term upto 5 consecutive years commencing from May 2, 2017 till May 1, 2022.

Accordingly, the term of Dr. Punita Kumar - Sinha as an Independent Director of the Bank shall expire on May 1, 2022.

The Bank has received from Dr. Punita Kumar - Sinha (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 (ii) intimation in Form DIR-8 in terms of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that she is not disqualified under Section 164(2) of the Act (iii) a declaration to the effect that she meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. (iv) Dr. Punita Kumar - Sinha meets the Fit and Proper criteria prescribed by the Reserve Bank of India ("RBI") and other applicable guidelines / circulars issued from time to time. Dr. Punita Kumar - Sinha has confirmed that she has not been debarred from holding office of a Director by virtue of any order passed by SEBI or any other such authority. Further, Dr. Punita Kumar - Sinha has also confirmed that she is not aware of any circumstance or situation which exists or may be reasonably

anticipated that could impair or impact her ability to discharge her duties as an Independent Director of the Bank.

Brief profile of Dr. Punita Kumar - Sinha in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with provision of the Secretarial Standard on General Meetings (SS-2) has been provided in this Explanatory Statement as under:

Age	59
Qualifications	<ol style="list-style-type: none"> 1. Ph.D 2. CFA 3. MBA (Finance) 4. Chemical Engineering from IIT-Delhi
Experience / Brief Profile	<p>Dr. Punita Kumar - Sinha is an independent director of the Bank. She holds a bachelor's degree in chemical engineering from IIT Delhi, MBA (Finance) from Drexel University and Ph.D. from University of Pennsylvania. She is also a qualified CFA. She is the founder and managing partner of Pacific Paradigm Advisors, LLC and is also on the Board of Governors of the CFA Institute. Over the last decade, she has served as an Independent Director and Chaired of many Board committees for several companies in India including Infosys, JSW Steel, Rallis, Jagran and Lupin Limited. She has experience in investment management and financial markets. Previously she has worked as a senior managing director of Blackstone – Asia Advisory Group</p>
Date of first appointment on the Board	May 2, 2017
Number of Meetings of the Board attended during the year	14 (till the date of this Postal Ballot Notice)
Directorships, Trusteeships, Partnerships, etc. held in other companies, firms, trusts, entities, etc.	<ol style="list-style-type: none"> i. JSW Steel Limited ii. Rallis India Limited iii. Mahindra Intertrade Limited iv. Classic Legends Private Limited v. Embassy Office Parks Management Services Private Limited vi. Lupin Limited vii. One Mobikwik Systems Limited viii. Paradigmarq Advisors Private Limited ix. Embassy Office Parks Management Services Private Limited x. The Asia Opportunities Offshore Fund, Cayman Islands xi. The Asia Opportunities Offshore Master Fund, Cayman Islands xii. Lupin Inc., USA xiii. The Asia Opportunities Fund LP xiv. The Asia Opportunities Associates LLC xv. Pacific Paradigm Advisors LLC xvi. Puja Holdings LLC xvii. The Punita Kumar Sinha 2010 LP xviii. CFA Institute, USA xix. CFA Institute Research Foundation
Memberships / chairmanships of committees of the Boards of other companies	<p>(i) JSW Steel Limited Stakeholders Relationship Committee (Chairperson) Hedging Policy Review Committee (Chairperson) Risk Management Committee (Member) Business Responsibility & Sustainability Reporting Committee (Member) CSR Committee (Member)</p> <p>(ii) Mahindra Intertrade Limited Audit Committee (Member) Nomination and Remuneration Committee (Member)</p> <p>(iii) Rallis India Limited Stakeholders Relationship Committee (Chairperson) Risk Management Committee (Chairperson) Audit Committee (Member)</p>

	<p>Corporate Social Responsibility (Member)</p> <p>(iv) Classic Legends Private Limited Audit Committee (Member) Nomination and Remuneration Committee (Member)</p> <p>(v) Embassy Office Parks Management Services Private Limited Stakeholders Relationship Committee (Chairperson) Audit Committee (Member) Risk Committee (Member)</p> <p>(vi) Lupin Limited Audit Committee (Chairperson) Stakeholders Relationship Committee (Member) Nomination and Remuneration Committee (Member)</p> <p>(vii) CFA Institute Audit Committee (Member)</p> <p>(viii) CFA Institute Research Foundation Investment Committee (Chairperson)</p> <p>(ix) One Mobikwik Systems Limited Nomination and Remuneration Committee (Chairperson) Audit Committee (Member) Stakeholders Relationship Committee (Member)</p>
Listed entities from which the person has resigned from the directorship in the past three years	<p>i. SREI Infrastructure Finance Limited</p> <p>ii. Sobha Limited</p> <p>iii. Infosys Limited</p>
Number of shares held in the Bank (including shareholding as a beneficial owner)	None
Terms and conditions of re-appointment including details of remuneration	<p>Dr. Punita Kumar - Sinha is proposed to be re-appointed for a second term of 3 years commencing from May 2, 2022 till May 1, 2025 and shall continue to be entitled to receive remuneration by way of sitting fees as well as reimbursement of expenses for attending Board and Committee meetings as applicable till the end of her proposed tenure.</p> <p>Dr. Punita Kumar - Sinha received total remuneration (i.e. sitting fees) of ₹ 29,00,000/- during FY 2021-22 (till the date of this postal ballot notice)</p>
Justification for appointment and skills and capabilities required for the role and the manner in which the proposed person meets such requirements	<p>Based on the recommendations of the Nomination and Remuneration Committee ('NRC') and pursuant to (a) evaluation of Dr. Punita Kumar - Sinha as a Member of the Board and Committees; (b) her background, experience and contribution to the Board and Committee deliberations; (c) the leadership she provides to the Bank, as an Independent Director; and (d) that her continued association would be beneficial to the Bank, the Board, at its meeting held on March 23, 2022, proposed to recommend to the Members the re-appointment of Dr. Punita Kumar - Sinha as an Independent Director of the Bank, not liable to retire by rotation, for further 3 years as second term effective May 2, 2022 till May 1, 2025. Further, the Bank has, in terms of Section 160(1) of the Act, received a notice in writing from a Member proposing the candidature of Dr. Punita Kumar - Sinha for the office of Director</p>
Nature of expertise in specific functional areas	Investment Management and Financial Markets
Relationship with other Directors, Managers and Key Managerial Personnel of the Bank	None

In the opinion of the Board, Dr. Punita Kumar - Sinha is a person of integrity, fulfils the conditions specified in the Act and the Rules made thereunder read with the provisions of the SEBI Listing Regulations, each as amended, and is independent of the Management of the Bank.

Section 149 of the Act allows independent directors to be appointed for two (2) consecutive terms of maximum five (5) years each. However pursuant to section 10A (2A) of the Banking Regulations Act, 1949 and

other applicable regulations/guidelines prescribed by RBI, the Board of Directors at its meeting held on March 23, 2022 had subject to approval of Members through special resolution approved the re-appointment of Dr. Punita Kumar - Sinha as an Independent Director of the Bank, not liable to retire by rotation, for a second term of 3 years commencing from May 2, 2022 till May 1, 2025.

In terms of Sections 149, 152 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made thereunder, and in terms of the applicable provisions of the SEBI Listing Regulations, each as amended, the re-appointment of Dr. Punita Kumar - Sinha as an Independent Director of the Bank for a second term of 3 years commencing May 2, 2022 till May 1, 2025 is being circulated to Members for their approval by way of a special resolution. Dr. Punita Kumar - Sinha, if re-appointed, will not be liable to retire by rotation.

None of the Directors, Key Managerial Personnel and their relatives, other than Dr. Punita Kumar - Sinha to whom the resolution relates, are concerned or interested or financially or otherwise, in the Resolution mentioned at Item No. 3 of the Notice.

The Board recommends the Special Resolution set forth in Item No. 3 for the approval of the Members.

Item no. 4 & 5

Pursuant to the recommendation of Nomination and Remuneration Committee ('NRC'), the Board of Directors at its meeting held on October 11, 2021 and Members at their Extra-ordinary General meeting held on October 12, 2021 had approved the amendment to the "Fino Payments Bank Limited – Employee Stock Option Policy, 2020 ("ESOP 2020").

Regulation 12 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('SEBI SBEB & SE Regulations') provides that:

"No company shall make any fresh grant of ESOPs, which involves allotment or transfer of shares to its employees under any ESOP Schemes formulated prior to its IPO (Initial Public Offer) and prior to the listing of its equity shares (pre-IPO scheme) unless: (i) such pre-IPO scheme is in conformity with SEBI SBEB & SE Regulations; and (ii) such pre-IPO scheme is ratified by its members subsequent to the IPO:

Provided that the ratification under clause (ii) may be done any time prior to grant of new options or shares or SAR under such pre-IPO scheme."

In view of the above and the fact that the equity shares of the Bank have been listed on BSE Limited and National Stock Exchange of India Limited on November 12, 2021, the Board of Directors at its meeting held on March 23, 2022 has subject to approval of members ratified the ESOP 2020.

Further as the business is growing, it is anticipated that the Bank would need more quantum of Options in view of its increasing human resources particularly with a view to attract, retain, and motivate critical resources and growth drivers, both existing and those joining in future for ensuring better and sustained corporate growth and profitability.

Hence, it is proposed to increase the quantum by 12,48,215 additional Employee Stock Options over and above existing options as per existing ESOP 2020 and to amend the ESOP 2020 by inserting clause no. 3.1A, after clause no. 3.1 in the ESOP 2020 as mentioned in resolution no.5.

Given the nature of proposed amendment, it is not detrimental to the interests of any existing option grantees. The beneficiaries of this amendment shall be the existing option grantees, to the extent applicable, and new option grantees to whom the Bank may intends to grant Options under the ESOP 2020.

Disclosures under Section 62 of the Act read with the Rules made thereunder and SEBI SBEB & SE Regulations:

- i. **Brief Description of the ESOP 2020:** The objective of the ESOP, 2020 is to reward the employees for their past association and performance as well as to motivate them to contribute to the growth and profitability of the Bank. The Bank also intends to use this policy to attract and retain talent in the Bank. The Bank views employee stock options as instruments that would enable the Employees to share the value they create for the Bank in the years to come.

- ii. **Total number of Options to be granted under the ESOP 2020:** Total number of Options that may be granted under the ESOP 2020 shall not exceed 27,93,390 Options.

Out of aforesaid 27,93,390 Options, the Bank had, prior to its IPO, already granted 13,65,410 (Thirteen Lakhs Sixty Five Thousand Four Hundred and Ten) employee stock options, which are yet to be vested.

- iii. **Identification of classes of employees entitled to participate and be beneficiaries in ESOP 2020:** The Employees are eligible for being granted Employee Stock Options under ESOP 2020. The specific Employees to whom the options would be granted and their Eligibility Criteria would be determined by the NRC.
- iv. **Requirement of Vesting and period of Vesting:** Options granted under ESOP 2020 would vest as follows:

At the Year 1 from date of grant of option	Nil of the options so granted
At the Year 2 from date of grant of option	33.33% of the Options so granted
At the Year 3 from date of grant of option	33.33% of the Options so granted
At the Year 4 from date of grant of option	33.33% of the Options so granted

Unless otherwise set out in ESOP 2020, vesting of the Options would be subject to continued employment with the Bank and thus the Options would vest on passage of time in accordance with the above schedule. In addition to this, the Nomination & Remuneration Committee may also specify certain performance parameters subject to which the Options would Vest. The specific vesting schedule and conditions subject to which Vesting would take place would be outlined in the agreement to be executed by the Option Grantee at the time of grant of the Options.

- v. **Maximum period within which the Options shall be vested:** The maximum period within which the options shall be vested shall be in accordance with ESOP 2020.
- vi. **Exercise Price or Pricing Formula:** Unless otherwise approved by the NRC, all Options to subscribe to equity shares pursuant to the ESOP, 2020 shall have a purchase or Exercise Price at such percentage of discount determined by NRC on the current market value of the shares.
- vii. **Exercise period and process of Exercise:** The exercise period shall be in accordance with ESOP 2020.
The options will be exercisable by the grantees by a written application to the Bank expressing his/ her desire to exercise such Options along with payment of exercise price and applicable taxes in such manner and on execution of such documents, as may be prescribed from time to time. The options will lapse if not exercised within the specified exercise period.
- viii. **Appraisal process for determining the eligibility of the Employees to ESOP 2020:** The options shall be granted to the eligible Employees as per performance appraisal system of the Bank and the NRC at its discretion may adopt any eligibility criteria for determining eligibility of any Employee or a class thereof on the basis of designation, role, and future potential of Employees as per ESOP 2020.
- ix. **The Maximum number of Options to be granted per Employee and in aggregate:** Such number as may be decided by the NRC thereof in accordance with the ESOP 2020.
- x. **The Maximum quantum of benefits to be provided per Employee under the ESOP 2020:** As per ESOP 2020 and subject to the provision of the applicable laws.
- xi. **Whether the ESOP 2020 is to be implemented and administered directly by the Bank or through a Trust:** ESOP 2020 is implemented and administered directly by the Bank.
- xii. **Whether the ESOP 2020 involves new issue of shares by the Bank or secondary acquisition by the Trust or both.:** The ESOP 2020 involve issue of fresh shares by the Bank.
- xiii. **The amount of loan to be provided for implementation of the ESOP 2020 by the Bank to the Trust, its tenure, utilization, repayment terms, etc.:** Not Applicable.

- xiv. **The Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the Trust for the purposes of the ESOP 2020:** Not Applicable.
- xv. **Statement to the effect that the Bank shall conform to the accounting policies specified in regulation 15:** The Bank shall comply with the applicable accounting policies as prescribed under Regulation 15 of SEBI SBEB & SE Regulations and other applicable laws.
- xvi. **The method which the Bank shall use to value its Options:** The Bank shall adopt fair value method or any other method in accordance to the guidance note on Accounting for Employee Share Based payments issued by the ICAI.
- xvii. **Statement with regard to Disclosure in Director's Report:** As the Bank is adopting the fair value method, presently there is no requirement for disclosure in the director's report. However, if in future, the Bank opts for expensing of share based employee benefits using the intrinsic value, then the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share of the Bank shall also be disclosed in the Directors' report.
- xviii. **Period of lock-in:** The equity shares arising out of exercise of Vested Options will not be subject to any lock-in period after such exercise.
- xix. **Terms & conditions for buyback, if any, of specified securities:** Subject to the provisions of the then prevailing applicable laws, the NRC shall determine the procedure for buy-back of Options granted under the ESOP 2020 if to be undertaken at any time by the Bank, and the applicable terms and conditions thereof.
- xx. **Conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct:** Vested option under the ESOP 2020 may lapse if not exercised within the specified exercise period. Pursuant to ESOP 2020 the Option may also lapse under certain circumstances as determined by the NRC even before expiry of the specified exercise period.
- xxi. **The specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee:** In accordance with the ESOP 2020.
- xxii. **Listing:** The equity shares to be allotted pursuant to the exercise of the stock options under ESOP 2020, shall be listed on BSE Limited and National Stock Exchange of India Limited.

None of the Directors, Key Managerial Personnel and their relatives (except to the extent of ESOPs to be granted to them pursuant to ESOP 2020), are in any way, concerned or interested, financially or otherwise in the said resolution.

The Board of Directors of the Bank recommends the Special Resolutions set out at Item Nos. 4 and 5 for the approval of the Members.

Item no. 6

In order to align with the requirements of the stock exchanges and as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members of the Bank at their Extra-Ordinary General meeting held on July 22, 2021 have adopted the new set of Articles of Association ("AoA") in total exclusion and substitution of the existing Articles of Association.

Pursuant to letter dated October 1, 2021 from SEBI issuing observation in relation to proposed IPO of the Bank, following the consummation of listing and trading of equity shares of the Bank at the Stock Exchanges, approval of Members by way of a Special Resolution is required to be obtained confirming the right available to FINO PayTech Limited ("Promoter") to nominate Directors on the Board of the Bank, so long as Fino PayTech Limited continues to collectively hold at least 40 % (forty percent) of the Share capital of the Bank on a fully diluted basis.

As the equity shares of the Bank have been listed on BSE Limited and National Stock Exchange of India Ltd with effect from November 12, 2021, the Board of Directors recommends the resolution set forth at item no 6 of the accompanying in this notice to the shareholders for their approval as Special Resolution.

None of the Directors, Key Managerial Personnel of the Bank or their respective relatives (except Nominee Directors appointed by Fino PayTech Limited) are in any way concerned or interested, financially or otherwise, in the Special Resolution at Item No. 6.

Registered Office:

Mindspace Juinagar, 8th Floor,
Plot No. Gen 2/1/F, Tower 1,
TTC Industrial Area, MIDC Shriwane,
Juinagar, Navi Mumbai, Thane -400706
CIN: L65100MH2007PLC171959
Email: basavraj.loni@finobank.com
Website: www.finobank.com

Place: Navi Mumbai
Date: 23.03.2022

By Order of the Board of Directors
For **Fino Payments Bank Limited**
Sd/-
Basavraj Loni
Company Secretary & Compliance Officer
Membership No. ACS: 23095