

TAMILNAD MERCANTILE BANK LIMITED
CIN: L65110TN1921PLC001908
Regd. office: 57, V. E. Road, Thoothukudi – 628 002
Phone: 0461-2321932 (E), 2321929 (E)
Website: www.tmb.in | e-mail: shareholders@tmbank.in

POSTAL BALLOT NOTICE

(Pursuant to Section 108 and 110 of the Companies Act, 2013 read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, as amended and applicable Circulars issued by the Ministry of Corporate Affairs, Government of India, from time to time)

VOTING START DATE	VOTING END DATE
Tuesday, February 11, 2025	Wednesday, March 12, 2025

Dear Member(s),

NOTICE is hereby given that pursuant to Section 108 and Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 (referred to as the ‘Rules’), Secretarial Standard-2 on General Meetings issued by The Institute of Company Secretaries of India (‘SS-2’), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, (‘SEBI Listing Regulations’), as amended and in accordance with the requirements prescribed by the Ministry of Corporate Affairs (‘MCA’) for holding general meetings/conducting postal ballot process through electronic voting (remote e-voting) vide General Circular Nos. 14/2020 dated April 08, 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, 20/2021 dated December 08, 2021, 3/2022 dated May 05, 2022, 11/2022 dated December 28, 2022, 09/2023 dated September 25, 2023 and 09/2024 dated September 19, 2024 (collectively ‘MCA Circulars’), the Banking Regulation Act, 1949 and other applicable laws and regulations (including any statutory modification or re-enactment thereof for the time being in force) that the resolution appended below, be passed by the members of the Tamilnad Mercantile Bank Limited (‘Bank’) (as on the Cut-off Date), to cast their votes electronically, as set out hereunder through postal ballot:

S.No.	Particulars	Type of Resolution
1	Approval and adoption of “Tamilnad Mercantile Bank Limited Employee Stock Option Plan 2024” [TMB ESOP 2024]	Special Resolution
2	Extension of benefits under the “Tamilnad Mercantile Bank Limited Employee Stock Option Plan 2024 [TMB ESOP 2024]” to the Eligible Employees of its subsidiary companies, associate companies and group companies of Tamilnad Mercantile Bank Limited	Special Resolution

The Board of Directors of the Bank, at their meeting held on Friday, January, 17, 2025, has approved the above matters subject to the approval of the Shareholders of the Bank and such other authorities as may be required.

Pursuant to Section 102(1) and other applicable provisions of the Act read with Rules, the statement pertaining to the said resolutions setting out the material facts and the reasons/ rationale thereof is annexed to this postal ballot notice (‘Notice’) for your consideration and forms part of this Notice.

In compliance with Regulation 44 of the SEBI Listing Regulations and pursuant to the provisions of Sections 108 and 110 of the Act read with the Rules framed thereunder and the MCA Circulars, the manner of voting on the proposed resolution are restricted only to e-voting i.e., by casting votes electronically instead of submitting postal ballot form. Accordingly, the Postal Ballot Notice and instructions for e-voting are being sent only through electronic mode to those members whose email address is registered with the Bank / Depositories / Registrar and Transfer Agent.

The Board has appointed Shri.P.Sriram, (Membership No. FCS 4862) (CP No. 3310) Practicing Company Secretary of M/s.SPNP & Associates, to act as the scrutinizer (“Scrutinizer”) for conducting the Postal Ballot process, in a fair and transparent manner.

In compliance with the provisions of Sections 108 and 110 of the Act read with Rule 20 and 22 of the Rules, Regulation 44 of the SEBI Listing Regulations, and SS-2, the Bank has provided e-voting facility to its members to cast their votes electronically/remote e-voting. For this purpose, the Bank has availed the electronic voting platform of National Securities Depository Limited (“NSDL”) for facilitating e-voting. The detailed procedure with respect to e-voting is mentioned in this Notice.

Members desiring to exercise their votes 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. The e-voting facility will be available during the following period:

Commencement of e-voting	9.00 A.M. IST on Tuesday, February 11, 2025
Conclusion of e-voting	5.00 P.M. IST on Wednesday, March 12, 2025
Cut-Off date for eligibility to vote	Friday, January 31, 2025

The e-voting facility will be disabled by NSDL immediately after 5.00 p.m. IST on Wednesday, March 12, 2025, for voting thereafter. The Scrutinizer will submit his report after completion of scrutiny, to the Chairman appointed by the Board, for the Postal Ballot (“the Chairman”) and the result will be announced within two working days from the conclusion of the e-voting period i.e., on or before Friday, March 14, 2025. The result declared along with the Scrutinizer’s report shall be communicated in the manner provided in this Postal Ballot Notice.

SPECIAL BUSINESS:

Item No 1. Approval and adoption of “Tamilnad Mercantile Bank Limited Employee Stock Option Plan 2024” [TMB ESOP 2024]:

To consider and if thought fit, to give assent / dissent to the following resolution to be passed as a **Special Resolution:**

RESOLVED THAT in accordance with the provisions of Section 62 and all other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with rules framed thereunder and the Securities and Exchange Board of India (“SEBI”) (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SBEB Regulations”) including any statutory modification(s) or re-enactment(s) thereof, for the time being in force and in accordance with circulars / guidelines issued by SEBI, comprehensive compensation policy of the Bank, the Articles of Association of the Company, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”), any rules, guidelines and regulations issued by the Reserve Bank of India (RBI/2019-20/89 dated 04 November 2019) or any other regulatory or governmental authority and any other applicable laws for the time being in force, from time to time and subject to any approval(s) of any authorities as may be required, and subject to any such condition(s) or modification(s), if any, as may be prescribed or imposed by such authorities while granting such approval(s) and subject to acceptance of such condition(s) or modification(s) by the Board of Directors of the Bank (hereinafter referred to as the “Board”, which term shall include the Compensation Committee constituted by the Board or any other Committee which the Board may constitute to act as the “Compensation Committee” under the SBEB Regulations or their delegated authority and to exercise its powers, including the powers conferred by this resolution), the consent of the Shareholders of the Bank, be and is hereby accorded to grant, vest and allot, from time to time and in one or more tranches, Options under the “**Tamilnad Mercantile Bank Limited Employee Stock Option Plan 2024**” [TMB ESOP 2024], the salient features of which are set out in the Statement annexed to this Notice, to or to the benefit of such person(s) who are permanent employees of the Bank, whether working in India or outside India, and / or to the Directors of the Bank, whether whole-time or not but excluding Independent Director(s) and to such other persons as may be decided by the Board and / or permitted under SBEB Regulations (hereinafter referred to as “Eligible Employees”) but does not include an employee who is a Promoter or a person belonging to the Promoter group or a Director(s) who either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding Equity Shares of the Bank, exercisable into not more than 15,83,514 options not exceeding 1% of the outstanding Equity Shares of the

Bank, with each Option giving the right but not the obligation to the holder to subscribe for cash to one fully paid-up equity share in the Bank of the face value of Rs.10/- (Rupees Ten only) each at such price or prices neither less than the face value of the share nor more than the fair market value of the share on the Date of Grant, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the terms of TMB ESOP 2024 and in due compliance with the SBEB Regulations and other applicable laws, rules and regulations.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and sale of division and others, the Board be and is hereby authorized to do all acts deeds matters and things as it may deem fit in its absolute discretion and as permitted under the SBEB Regulations and such other laws as may be applicable, so as to ensure passing of fair and equitable benefits under the TMB ESOP 2024.

RESOLVED FURTHER THAT in case the Equity Shares are either sub-divided or consolidated, then the number of Equity Shares to be transferred on exercise of Stock Options and the Exercise price of Stock Options shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs.10/- per Equity Share bears to the revised face value of the Equity Shares of the Bank after such sub-division or consolidation, without affecting any other rights or obligations of the employees who have been granted Stock Options under the TMB ESOP 2024.

RESOLVED FURTHER THAT the Board be and is hereby authorized to devise, formulate, evolve, decide upon and bring into effect TMB ESOP 2024 as per the terms approved in this resolution read with the Statement annexed to this Notice and at any time to modify, alter or amend the said terms or suspend, withdraw or terminate TMB ESOP 2024, subject to compliance with the SBEB Regulations and other applicable laws, rules and regulations, as may be prevailing at that time.

RESOLVED FURTHER THAT the Bank shall confirm to the accounting policies prescribed from time to time under SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to TMB ESOP 2024.

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 fit, for the aforesaid purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard at any stage, without being required to seek any further consent or approval of the Shareholders of the Bank to the end and intent that the Shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution, and further to execute all such deeds, documents, writings and to give such directions and / or instructions as may be necessary, proper or expedient to give effect to any modification, alteration, amendment, suspension, withdrawal or termination of TMB ESOP 2024 and to take all such steps and do all acts as may be incidental or ancillary thereto.

Item No 2. Extension of benefits under the “Tamilnad Mercantile Bank Limited Employee Stock Option Plan 2024 [TMB ESOP 2024]” to the Eligible Employees of its subsidiary companies, associate companies and group companies of Tamilnad Mercantile Bank Limited

To consider and if thought fit, to give assent / dissent to the following resolution to be passed as a **Special Resolution**:

RESOLVED THAT in accordance with the provisions of Section 62 and all other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with rules framed thereunder and the Securities and Exchange Board of India (“SEBI”) (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SBEB Regulations”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with circulars / guidelines issued by SEBI, comprehensive compensation policy of the bank, the Articles of Association of the Bank, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”), any rules, guidelines and regulations issued by the Reserve Bank of India (RBI/2019-20/89 dated 04 November 2019) or any other regulatory or governmental authority and any other applicable laws for the time being in force, from time to time and subject to any approval(s) of any authorities as may be required, and subject to any such condition(s) or modification(s), if any, as may be prescribed or imposed by such authorities while granting such approval(s) and subject to acceptance of such condition(s) or modification(s) by the Board of Directors of the Bank (hereinafter referred to as the “Board”, which term shall include the Compensation Committee constituted by the Board or any other Committee which the Board may constitute to act as the “Compensation Committee” under the SBEB Regulations or their delegated authority and to exercise its powers,

including the powers conferred by this resolution), the consent of the Shareholders of the Bank be and is hereby accorded to grant, vest and allot, from time to time and in one or more tranches, Options under the ‘**Tamilnad Mercantile Bank Limited Employee Stock Option Plan 2024**’ (“**TMB ESOP 2024**”), referred to in the Special Resolution under Item No. 1 of this Notice, to or to the benefit of such person(s) who are permanent employees of its subsidiary companies, associate companies and group companies of the Bank, whether working in India or outside India, and / or to the Directors of its subsidiary companies, associate companies and group companies, whether whole-time or not but excluding Independent Director(s) of the its subsidiary companies, associate companies and group companies and to such other persons as may be decided by the Board and / or permitted under SBEB Regulations (hereinafter referred to as “Eligible Employees”) but does not include an employee who is a Promoter or person belonging to the Promoter group or a Director(s) who either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding Equity Shares of the Bank, exercisable into not more than 15,83,514 options not exceeding 1% of the outstanding Equity Shares of the Bank as stated in Item No. 1, to the intent that the number of Options offered under TMB ESOP 2024 to the Eligible Employees of the subsidiary companies, associate companies and group companies shall be subsumed in the aggregate limit of 15,83,514 Options not exceeding 1% of the outstanding Equity Shares of the face value of Rs.10/- (Rupees Ten only) each set out in the Special Resolution under Item No. 1 of this Notice.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and sale of division and others, the Board be and is hereby authorized to do all acts deeds matters and things as it may deem fit in its absolute discretion and as permitted under the SBEB Regulations and such other laws as may be applicable, so as to ensure passing of fair and equitable benefits under the TMB ESOP 2024.

RESOLVED FURTHER THAT in case the Equity Shares are either sub-divided or consolidated, then the number of Equity Shares to be transferred on exercise of Stock Options and the Exercise price of Stock Options shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs.10/- per Equity Share bears to the revised face value of the Equity Shares of the Bank after such sub-division or consolidation, without affecting any other rights or obligations of the employees who have been granted Stock Options under the TMB ESOP 2024.

RESOLVED FURTHER THAT the Board be and is hereby authorized to devise, formulate, evolve, decide upon and bring into effect TMB ESOP 2024 as per the terms approved in this resolution read with the Statement annexed to this Notice and at any time to modify, alter or amend the said terms or suspend, withdraw or terminate TMB ESOP 2024, subject to compliance with the SBEB Regulations and other applicable laws, rules and regulations, as may be prevailing at that time.

RESOLVED FURTHER THAT the Bank shall confirm to the accounting policies prescribed from time to time under SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to TMB ESOP 2024.

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 fit, for the aforesaid purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard at any stage, without being required to seek any further consent or approval of the Shareholders of the Bank to the end and intent that the Shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution, and further to execute all such deeds, documents, writings and to give such directions and / or instructions as may be necessary, proper or expedient to give effect to any modification, alteration, amendment, suspension, withdrawal or termination of TMB ESOP 2024 and to take all such steps and do all acts as may be incidental or ancillary thereto.

**By Order of the Board of Directors
For Tamilnad Mercantile Bank Limited**

Sd/-

**Swapnil Yelgaonkar
Company Secretary**

(Membership No: ACS 21877)

Place : Thoothukudi

Date : January 29, 2025

Notes:

1. An explanatory statement pursuant to Section 102 read with Section 110 of the Companies Act, 2013 (the “Act”), setting out all material facts relating to the resolution 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. Relevant documents referred to in this Notice requiring the approval of the Members shall be available for inspection by the Members from the date of circulation of this notice upto the date of closure of remote e-voting i.e., **Wednesday, March 12, 2025 5:00 P.M (IST)**. Members who wish to inspect the documents are requested to send an email to shareholders@tmbank.in mentioning their name, folio no. / Client ID and DP ID and the documents they wish to inspect, with a self-attested copy of their PAN card attached to the email.
3. As a good Corporate Governance practice, the Hard Copy of the Postal Ballot Notice is being sent via registered post to those members (who have not registered their e-mail id) and 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, January 31, 2025 (the “Cut-Off Date”)**. The electronic notice (via e-mail) is being sent to those members 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, MUFG Intime India Private 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. The 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 only. This Notice is also available at the Bank’s website: www.tmb.in/investor’s-relations 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.
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 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. Member(s) whose names appear on the register of members/list of beneficial owners as on the cut-off date will be considered for e-voting. In case of joint holders, the member whose name appears as the first holder in the order of names as per the register of members of the Bank will be entitled to vote.
6. The Bank has engaged **National Securities Depository Limited (“NSDL”)** for facilitating remote e-voting to enable the Members to cast their votes electronically for this Postal Ballot.
7. The remote e-voting period will commence at **9.00 A.M IST, Tuesday, February 11, 2025 and ends at 5.00 P.M IST, Wednesday, March 12, 2025**. (Refer below Point No.13 for detailed procedure to vote through e-voting).
8. The Voting Rights of the Members shall be in proportion to their shares of the paid-up share equity capital of the Bank as on the “Cut-off” date being **Friday, January 31, 2025** subject to the provision of the Banking Regulations Act, 1949 as amended and the extant RBI guidelines. The voting rights of the shareholders are also subject to the restriction imposed by the Reserve Bank of India.
9. The Bank will issue necessary advertisements in the newspaper/ e-newspaper having all India circulation in English language and in one daily newspaper published in the regional language where the registered office of the Bank is situated.
10. The Scrutinizer will submit his report after completion of scrutiny, to the Chairman appointed by the Board, for the Postal Ballot. The Scrutinizer’s decision on the validity of votes cast will be final. The results of e-voting will be announced on or before **Friday, March 14, 2025**, and will be displayed on the Bank’s website www.tmb.in/investor’s-relations and on the website of the NSDL i.e., www.evoting.nsdl.com. The results will simultaneously be communicated to the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited.

11. The Resolution, if passed by the requisite majority through Postal Ballot by remote e-voting, will be deemed to have been passed on the last date specified for e-voting i.e., **Wednesday, March 12, 2025**.
12. Members who have not registered their e-mail addresses are requested to register the same with the Bank's RTA / Depository Participant(s) ("DP") for sending future communication(s) in electronic form.
13. **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

Pursuant to SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed companies are required to provide E-voting facility to the shareholders holding securities in demat mode and 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	- 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 Bank 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. - 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 - 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 Bank 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. - Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on  App Store  Google Play  

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by the Bank. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period. Additionally, there is also links provided to access the system of all e-voting Service Providers, so that the user can visit the e-voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on 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 able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.
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 Bank 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.com or call at 022 - 4886 7000
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 toll free no. 1800 21 099 11

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 Bank For example if folio number is 001*** and EVEN is 132870 then user ID is 132870001***

5. For the shareholders, holding shares in physical form, who have not registered their email-ID's with the Depositories / RTA, the User ID and Password are sent to their registered address.
6. 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 Bank, 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., a .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 steps mentioned below in process for those shareholders whose email ids are not registered
7. 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 available on www.evoting.nsdl.com.
 - b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option 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.com 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.
8. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
 9. Now, you will have to click on “Login” button.
 10. 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.
2. Select “EVEN” of the Bank to cast your vote during the remote e-voting period.
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 sriram@prowiscorporate.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e., other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “Upload Board Resolution / Authority Letter” displayed under “e-voting” tab in their login.
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, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on: 022 - 4886 7000 or send a request to Ms. Prajakta Pawle at evoting@nsdl.com.
4. Please provide the contact details of the person responsible to address the grievances connected with remote e-voting.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail-ID's for e-voting for the resolutions set out in this notice:

1. For those shareholders whose email-ID's are not registered with the Depositories / RTA, User ID and Password are sent to their registered address.
2. Alternatively shareholders/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by submitting/enclosing the following documents/details;

- a. Share held in physical form: Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR number (self-attested scanned copy of Aadhar Card).
 - b. Share held in demat form: DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, Client Master List or copy of consolidated demat Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card).
3. In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-voting facility.

14. Communication with Share Transfer Agents

Shareholders are requested to intimate changes, if any, in their registered address or any other particulars through their Depository Participant, in case of DEMAT shares and directly, in case of physical shares to the Registrar and Share Transfer Agent of the Bank at the following address:

Registrar and Share Transfer Agent:

MUFG Intime India Private Ltd., (formerly known as Link Intime India Private Ltd)

Coimbatore Branch,

Surya 35, Mayflower Avenue, Behind Senthil Nagar,

Sowripalayam Road, Coimbatore – 641 028,

Phone No: (0422) 2314792, (0422) 4958995,

(0422) 2539835, (0422) 2539836.

e-mail: coimbatore@linkintime.co.in

**By Order of the Board of Directors
For Tamilnad Mercantile Bank Limited**

Sd/-

Swapnil Yelgaonkar

Company Secretary

(Membership No: ACS 21877)

Place : Thoothukudi

Date : January 29, 2025

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 and Regulation 36 of the SEBI Listing Regulations, 2015:

Item No 1. Approval and adoption of “Tamilnad Mercantile Bank Limited Employee Stock Option Plan 2024” [TMB ESOP 2024]

Item No 2. Extension of benefits under the “Tamilnad Mercantile Bank Limited Employee Stock Option Plan 2024 [TMB ESOP 2024]” to the Eligible Employees of its subsidiary companies, associate companies and group companies of Tamilnad Mercantile Bank Limited

Stock Options in the hands of the employees have long been recognized as an effective instrument to align the interests of the employees with that of the Bank and its Shareholders, providing an opportunity to the employees to share in the growth of the Bank and to create sense of ownership / belonging amongst the employees and create wealth in the hands of the employees.

Accordingly, the Bank intends to reward the Eligible Employees of the Bank, its subsidiaries, its associated entities including group companies (as applicable) in accordance with the statutory regulations outlined under the Reserve Bank of India guidelines (RBI/2019-20/89 dated 04 November 2019) and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat equity) Regulations, 2021 (“SBEB Regulations”).

In this regard, the Bank has proposed to adopt the Tamilnad Mercantile Bank Limited Employee Stock Option Plan 2024 (the “TMB ESOP 2024” or “the Plan”). The Board of Directors of the Bank through a resolution dated January 17, 2025 approved the broad framework of the TMB ESOP 2024. The Eligible Employees shall be granted Employee Stock Options (“Options”) which will be exercisable into Equity Shares of Rs.10/- each of the Bank (the “Equity Shares”) upon such terms and conditions as applicable to the Options. The Shareholders are informed that the Bank intends to offer not more than 15,83,514 Options not exceeding 1 % of the outstanding Equity Shares under the TMB ESOP 2024. Through this plan, the Bank envisages to enhance performance, create a sense of ownership and participation amongst the Eligible Employees of Bank, its subsidiaries, associate entities including group companies, as applicable.

The TMB ESOP 2024 will be administered by the Compensation Committee (“CC”) constituted by the Board pursuant to SBEB Regulations. The Board is responsible to constitute an independent CC for the purpose of administration and implementation of the Plan. For this purpose, Board in its meeting dated January 17, 2025 has nominated the existing Nomination and Remuneration Committee (NRC) of the Board as the CC.

The approval of Shareholders is being sought for grant of Stock Options to Eligible Employees of the Bank and its subsidiary companies, associate companies and group companies.

The TMB ESOP 2024 is being formulated in accordance with the SBEB Regulations and Reserve Bank of India guidelines. The salient features of TMB ESOP 2024 and other details as required under section 62(1)(b) of the Act and Regulation 6(2) of SBEB Regulations, as amended are given below:

Sl. No.	Particulars	Details
1	Brief description of the TMB ESOP 2024	The Bank intends to retain, reward, enhance performance and create a sense of ownership / belonging for the Eligible Employees (in/ outside India) of the Bank, its subsidiaries, its associated entities including group companies (as applicable) in accordance with the statutory guidelines outlined under the Reserve Bank of India guidelines (RBI/2019-20/89 dated 04 November 2019) and SBEB Regulations. As per the above-mentioned RBI guidelines, an appropriate balance between fixed pay and variable pay needs to be maintained by Banks and further such Regulations provide for some portion of variable pay to be paid as equity compensation, specifically for Managing Director, CEO, Material Risk Takers and Whole time Director(s) of the Bank. In this regard, the TMB ESOP 2024 has been adopted by the Board of Directors pursuant to resolution passed at their meeting held on January 17, 2025. The TMB ESOP 2024 will be administered by the CC constituted by the Board pursuant to SBEB Regulations. For this purpose, Board has nominated the existing Nomination and Remuneration Committee (NRC) of the Board as CC.

Sl. No.	Particulars	Details
2	Total number of stock options to be granted	It is proposed to grant options up to 15,83,514 Options (not exceeding 1 % of the paid up capital) in one or more tranches, out of the total pool of 1% of issued share capital designated for ESOP. Each option shall entitle the option holder to one equity share of the Bank. The CC shall reserve right to determine the quantum of Options to be granted to each eligible employee. The SBEB Regulations require that in case of any corporate action such as rights issue, bonus issue, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the Options granted. In this regard, the CC shall adjust the number/shares and/or exercise price of the Options granted in such a manner that the total value of the Options granted under TMB ESOP 2024 remain the same after any such corporate action keeping the life of the Options intact.
3	Identification of classes of employees entitled to participate in TMB ESOP 2024 and the beneficiaries in the Plan	The Eligible Employees shall be as follows: - Employees as designated by the Bank, in line with the SBEB Regulations, who is exclusively working in India or outside. - All present and future eligible Employees, whether working in India or outside India, which expression shall also include the Managing Director, Material Risk Taker(s) and Whole time Director(s) of the Bank, in line with RBI Guidelines. - Any employee of the Bank who has been deputed / transferred by the Bank to any Bank/entity which is a subsidiary or an associate company of the Bank, including Employee of the Bank who upon grant of options under the TMB ESOP 2024 is transferred/moved by the Bank to a subsidiary or an associate company and for this purpose such Employee resigns from the services of the Bank and joins the subsidiary or associate company prior to vesting or exercise of such options. However, the following individuals shall not be eligible for options under TMB ESOP 2024, in line with SBEB Regulations: • an employee who is a promoter or a person belonging to the promoter group; • a director who, either 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; • contract employees; and • individuals who are not in the payroll of the Bank. The CC shall, from time to time, determine the criteria to ascertain the employees eligible for benefits under the TMB ESOP 2024.

Sl. No.	Particulars	Details
4	Grant conditions and date of grant	The Grant of Options for Eligible Employee would be based on the following parameters as ascertained by the CC from time to time. Such parameters illustratively include: • Performance of the Eligible Employee; • Performance of the Bank and Division; • Last drawn fixed CTC of the Eligible Employee; • The fair market value of the underlying share as on the Date of Grant; • Any other matters as determined by the CC / other statutory regulations. In the event of subdued or negative financial performance of the Bank and/or the relevant line of business in any year, granting of options for the reference year will be moderated accordingly. Likewise, the performance rating of an Eligible Employee could also impact the granting of options. The CC shall issue Grant Letter to each Eligible Employee to whom an Option has been granted. The same shall be effective upon acceptance by the Eligible Employee.
5	Requirements of vesting and period of vesting	An Option granted to an Eligible Employee shall entitle him to apply for one Share on or after the date of Vesting, subject to satisfaction of the vesting conditions, if any, specified in the Grant Letter or such other document as the CC deem fit. Vesting shall be subject to continuity of employment and behavior as prescribed in the grant letter/ Plan or as the CC may decide from time to time. The options shall vest either fully or partially to such employee, subject to satisfaction of vesting conditions, if any. The vesting shall commence on the expiry of minimum period of one year from the date of grant. Such vesting period would be spread over three years from the date of grant of the options (illustratively 30% at the end of year 1, 30% at the end of year 2 and 40% at the end of year 3). While the CC may define such vesting schedule, it cannot front load the vesting. Illustratively implying, more than 1/3 rd of unvested options cannot vest in the first year, 2/3rd in the second year, so on and so forth. Such vested options shall be exercised within the Exercise Period on payment of the Grant Price/ Exercise Price (and applicable taxes) specified in the Grant Letter.
6	Maximum period within which the options shall be vested	The CC may determine / amend the Vesting period. However, such Vesting period shall not be less than one year from the date of Grant. The terms of Vesting in respect of cessation of employment/ corporate actions/ superannuation / death / permanent disability shall be determined by the CC and in accordance with the SBEB Regulations (depending on scenarios, it would either lapse / continue / may be accelerated).

Sl. No.	Particulars	Details
		In certain circumstances of non-performance, the granted options could also lapse. Such options that do not qualify for vesting would be included in the pool to incentivize Eligible Employees from time to time. In a situation of accelerated vesting, in case the quantum of such vested option exceeds the limits prescribed by RBI, such options would be due for vesting in the manner prescribed in the grant letter.
7	Grant Price/ Exercise Price or the formula for arriving at the same	The Grant Price/ Exercise Price shall neither be less than the face value of the share nor more than the fair market value of the share on the Date of Grant. The CC may from time to time determine such Grant Price/ Exercise Price and the applicable discount to market price, if any.
8	Exercise period	All Vested Options shall be exercised within a period of 3 years from the date of Vesting, failing which all the Vested Options shall lapse. In the event of resignation / termination / superannuation / death / permanent disability, Options will be exercised in accordance with SBEB Regulations as may be determined by the CC in this regard. In the event that an Employee, who has been granted options under the TMB ESOP 2024, is transferred or deputed to an associate / subsidiary company prior to exercise, the exercise as per the terms of grant shall continue in case of such transferred or deputed employee even after the transfer or deputation. The CC may at its discretion, do all such acts, deeds, matters and things as may be necessary / desirable to facilitate exercise of options by the Employees.
9	Appraisal process for Eligible Employees of TMB ESOP 2024	Before offering / granting the options to the Employees under the TMB ESOP 2024, the CC would inter alia take into consideration the grade, performance, merit, conduct of the employee, etc. and such other factors as may be deemed appropriate by it. The Bank shall consider certain qualitative and quantitative parameters to determine the performance and in turn the grant of the options. The Vesting conditions, like continuity of employment and behavior as determined by the CC from time to time, shall be specified in the Grant Letter/ Plan. The Options so granted shall Vest (partially or fully) on successful adherence of such conditions.
10	Maximum number of options to be offered and issued per employee and in aggregate	The maximum number of options that may be granted to any employee shall be determined by the CC. In case the aggregate number of Options proposed to be granted to any Eligible Employee equals to or exceeds 1% of the issued capital of the Bank at the time of grant of Options, prior approval of the shareholders by way of a separate resolution shall be obtained.

Sl. No.	Particulars	Details
11	Maximum quantum of benefits to be provided per employee under TMB ESOP 2024	The Eligible Employees will be entitled to Equity Shares of the Bank on exercise of Options as per the terms provided under TMB ESOP 2024. No benefit other than grant of Options is envisaged under the said plan. Shareholder rights such as Dividends, etc. will be available to the Eligible Employees only after the successful exercise of options and consequent allotment of shares.
12	Whether the scheme is to be implemented and administered directly by the Bank or through Trust	TMB ESOP 2024 shall be implemented directly by the Bank. The CC so constituted by the Board would independently administer and implement such Plan. TMB does not envisage to set up any Trust for administering the Plan.
13	Whether the scheme involves new issue of shares by the Bank or secondary acquisition by the Trust or both	TMB ESOP 2024 will involve new issue of equity shares of the Bank and will not involve any secondary acquisition.
14	The amount of loan to be provided for implementation of the scheme by the Bank to the Trust, its tenure, utilization, repayment terms, etc.	Not Applicable
15	Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the Trust for the purposes of the scheme.	Not Applicable
16	Statement to the effect that the Bank shall confirm to the accounting policies and comply with accounting standards	The Bank will follow and comply with Accounting Standards as may be prescribed by the competent accounting standards authorities from time to time, including the disclosure requirements prescribed therein in due compliance with the requirements of Regulation 15 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. In addition, the Bank shall disclose such details as required under the applicable laws including under other applicable provisions of the said Regulations.
17	The method which the Bank shall use to value its options at the time of grant	Options shall be valued at fair market value of the equity share which means the closing price on a recognized stock exchange on which the equity shares of the Bank are listed on the date immediately prior to the relevant date. If such equity shares are listed on more than one stock exchange, then the closing price on the stock exchange having higher trading volume shall be considered. The CC may determine the Grant Price/ Exercise Price to be neither less than the face value of the share nor more than such fair market value of the share on the Date of Grant.
18	Lock-in period if any	The equity shares arising out of exercise of vested options shall not be subject to any lock-in restrictions except such restrictions as may apply under the applicable laws / regulatory authority from time to time.

Sl. No.	Particulars	Details
19	Terms & conditions for buyback of specified securities covered under the regulations Alteration, if any, of terms and conditions of the TMB ESOP 2024	None; The CC shall have the absolute authority to vary or modify the terms of the TMB ESOP 2024 in accordance with the regulations and guidelines prescribed by SBEB Regulations or regulations that may be issued by any appropriate authority, from time to time, unless such variation, modification or alteration is not detrimental to the interest of the employees who have been granted Stock Options under the TMB ESOP 2024.
20	Applicability of Malus/ claw-back	The benefits accrued and / or availed under the TMB ESOP 2024 shall be subject to malus and claw-back conditions in line with the extant Compensation Policy of the Bank as amended from time to time and relevant Reserve Bank of India guidelines as amended from time to time.

A draft copy of the TMB ESOP 2024 is available for inspection at the Registered Office during office hours on all working days up to the date of closure of remote e-voting i.e., Wednesday, March 12, 2025, 5:00 P.M (IST).

The Options to be granted under TMB ESOP 2024 shall not be treated as an offer or invitation made to public for subscription of securities of the Bank. The TMB ESOP 2024 confirms to the SBEB Regulations.

The Board recommends resolution nos. 1 and 2 for approval of the Shareholders of the Bank. Directors / Key Managerial Personnel of the Bank / their relatives who may be granted Options under TMB ESOP 2024 may be deemed to be concerned or interested in the Special Resolutions set out at Item Nos. 1 & 2 of this Notice.

Regulation 6 of the SBEB Regulations requires that any Employee Stock Option Scheme for offering Options to the employees must be approved by the Shareholders by way of a Special Resolution. Accordingly, the resolutions set out as Item Nos.1 and 2 are being placed for the approval of the Shareholders pursuant to the provisions of the Companies Act, 2013 and Regulation 6 of the SBEB Regulations and all other applicable provisions of law for the time being in force.

As per Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all fees / compensation (including stock options) paid to non-executive Directors, including Independent Directors, shall require previous approval of Shareholders in General Meeting. Since the Directors of the Bank are also eligible for grant of Options (but excluding Promoter, Promoter Group, Independent Directors, and a Director who either himself or through his relative or through anybody corporate, directly or indirectly, holds more than 10% of the outstanding Equity Shares of the Bank) resolutions set out in Item Nos. 1 and 2 are placed for approval of the Shareholders.

None of the Directors and Key Managerial Personnel of the Bank and their relatives are in any way, concerned or interested in the resolution, except to the extent of the Options that may be offered to them under the TMB ESOP 2024.

By Order of the Board of Directors
For Tamilnad Mercantile Bank Limited
Sd/-
Swapnil Yelgaonkar
Company Secretary
(Membership No: ACS 21877)

Place : Thoothukudi
Date : January 29, 2025