

NOTICE OF FOURTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fourth Annual General Meeting of the Members of Paytm Payments Bank Limited (“**Bank**”) will be held on Friday, September 25, 2020, at 11:00 A.M at its registered office situated at 136, 1st Floor, Devika Tower, Nehru Place, New Delhi – 110019 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited standalone financial statements of the Bank for the financial year ended March 31, 2020, together with the report of the Board of Director’s and Auditors’ thereon.
2. To appoint a director in place of Mr. Vijay Shekhar Sharma, Director (DIN 00466521), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To approve the appointment of MSKA & Associates, Chartered Accountants (Firm Registration No. 105047W), Statutory Auditors of the Bank to hold office from the conclusion of fourth Annual General Meeting until the conclusion of sixth Annual General Meeting, as per RBI approval and fix their remuneration and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 139, 141 and 142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time and Banking Regulation Act, 1949 (including any statutory modification(s) or re-enactment(s) thereof) and subject to the approval of the Reserve Bank of India , the appointment of MSKA & Associates, Chartered Accountants (Firm Registration No. 105047W), be and is hereby approved by the Members of the Bank, as Statutory Auditor of the Bank to hold office from the conclusion of fourth Annual General Meeting till the conclusion of the sixth Annual General Meeting on terms and conditions and remuneration including reimbursement of out of pocket expenses in connection with the audit of accounts of the Bank, as may be fixed by the Board of Directors of the Bank.”

SPECIAL BUSINESS

4. **To ratify changes in terms of variable Payment of Mr. Satish Kumar Gupta, Managing Director & CEO**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to Section 196, 197, 198 and 203 and read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including statutory modifications or re-enactment(s) thereof, for the time being in force) and applicable clause of Article of association of the Bank and recommendation of Nomination and Remuneration Committee and as approved by the Board of Directors of the Bank and Reserve Bank of India (RBI), consent of the Member of the Bank be and is hereby accorded, by way of Special Resolution, to ratify the following revised

compensation structure of Mr. Satish Kumar Gupta (DIN: 08190146), Managing Director and CEO of the Bank, for the financial year 2019-20:

1. Fixed pay - Rs. 140 lacs (w.e.f. April 01st 2019)
2. Variable Pay
 - a. Performance Incentive- Rs. 20 lacs (for FY 2018-19)
 - b. 2083 shares of One97 Communications Limited of face value of Rs. 10 each to be vested over a period of three years as per following details:
 - i. 31st March 2020 – 27% i.e. 562 shares
 - ii. 30th September, 2020 – 20% i.e. 417 shares
 - iii. 30th September, 2021 (upon completion of 3rd year of term) – 53% i.e. 1104 shares.

RESOLVED FURTHER THAT in any financial year during the tenure of the said Managing Director and CEO, the Company has no profit or profits are inadequate, the remuneration shall be paid in accordance with Schedule V read with other applicable provision, if any, of the Companies Act, 2013.

RESOLVED FURTHER THAT any of the Director(s) or Company Secretary of the Bank be and are hereby severally authorized to make necessary filing, submit documents with ROC or any other statutory authorities, if any and do all the acts, deeds and things which are necessary to give effect to this resolution.”

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

**Sd/-
Satish Kumar Gupta
Managing Director and CEO
DIN: 08190146**

**Place: Mumbai
Date: August 18, 2020
Regd Off: 136, 1st Floor, Devika Tower
Nehru Place, New Delhi - 110019
CIN- U65999DL2016PLC304713**

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY, OR WHERE THAT IS ALLOWED, ONE OR MORE PROXIES, TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE BANK. PROXY FORM IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, SIGNED AND COMPLETED IN ALL RESPECTS MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE BANK ATLEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY IN NUMBER AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY NOT EXCEEDING FIFTY IN NUMBER AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. HOWEVER, A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
3. EVERY MEMBER ENTITLED TO VOTE AT THE MEETING, OR ON ANY RESOLUTION TO BE MOVED THEREAT, SHALL BE ENTITLED DURING THE PERIOD BEGINNING 24 HOURS BEFORE THE TIME FIXED FOR THE COMMENCEMENT OF THE MEETING AND ENDING WITH THE CONCLUSION OF THE MEETING, TO INSPECT THE PROXIES LODGED, AT ANY TIME DURING THE BUSINESS HOURS OF THE BANK, PROVIDED THAT NOT LESS THAN THREE DAYS' NOTICE IN WRITING OF THE INTENTION SO TO INSPECT IS GIVEN TO THE BANK.
4. No person shall be entitled to attend and vote at the meeting as a duly authorized representative of anybody corporate which is a shareholder of the Bank, unless a copy of the resolution appointing him/her a duly authorized representative, certified to be true copy by the Chairman/Managing Director/Company Secretary, shall have been deposited at the registered office of the bank before the time fixed for the commencement of the meeting.
5. Members are requested to notify the changes of address if any, to the Bank quoting their respective DP ID/folio nos.
6. We request and encourage our members to register/update their email-id for e-communication. The Members may register their e-mail id by sending an email to secretarial@paytmbank.com with a subject "Registration of email id."
7. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
8. Register of Directors and Key Managerial Personnel and their shareholding, maintained u/s. 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
9. The Register of Contracts or arrangements in which the Directors are interested, maintained u/s.189 of the Companies Act, 2013, will be available for inspection by the Members at the AGM.
10. All documents referred to in the notice and explanatory statement shall be open for inspection at the corporate office of the company at A-6, VJ Business Tower, Sector 125, Noida- 201303 on all working days (except Saturday, Sunday and any public holiday), between 11.00 a.m. and 5.00 p.m.

upto the date of the Meeting. The Bank has intimated the Registrar of Companies to keep books of account at a place other than the registered office of the Bank.

- 11. In the current situation of COVID-19 pandemic, health and safety of the shareholders of the Bank is most important for the Bank, hence, the Bank shall follow social distancing norms issued by the Ministry of Health and Family Welfare, Government of India, in true letter and spirit. The venue of the meeting shall be fully sanitized and temperature of all those present in the premises including the attendees shall be checked at the entrance. Further, Face-masks and Sanitizer shall be available at the entrance and all it shall be required to wear the mask at all times, within the premises.**

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

The following explanatory statement pursuant to section 102 of the Companies Act, 2013, sets out all material facts relating to the business mentioned in the accompanying notice.

ITEM NO.4:

Upon receipt of approval of the Reserve Bank of India (RBI) and based on the recommendation of Nomination and Remuneration Committee, the Board in its meeting held on August 7, 2019, had approved the appraisal in compensation of Mr. Satish Kumar Gupta, Managing Director & CEO for Financial Year 2019-20.

Further, the Board of Directors in its meeting held on October 22, 2019, based on the recommendation of Nomination and Remuneration committee, had approved changes in the variable payment in which vesting period of shares was reduced from 3 years to 2-1/2 years in accordance with RBI's approved tenure of managing Director and CEO, ergo the number of shares allocated were also reduced on pro-rata basis.

However, RBI circular dated January 13, 2012 on Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Risk takers and Control function staff, etc. mandated the following w.r.t. variable pay component:

1. Variable pay to be capped at 70% of Fixed pay
2. Variable Pay equal to or greater than 50% of fixed pay needs to be deferred over at least 3 years

The members are informed that the fixed pay component of Mr. Gupta's salary was under consideration by RBI with effective date of computation being October 23, 2018 i.e. the date of appointment of Mr. Satish Kumar Gupta as Managing Director and CEO of the Bank.

Accordingly, the variable pay component of the compensation of Mr. Satish Kumar Gupta as Managing Director and CEO of the Bank was revised from INR 50 lacs to INR 20 lacs (less than 50% of pro rata fixed pay component for FY 18-19), as recommended by Nomination and Remuneration Committee, and the revised compensation structure was approved for FY 2019-20.

Therefore, the Board proposes to seek approval of the shareholders, by way of special resolution, for ratification changes in terms of variable Payment of Mr. Satish Kumar Gupta, Managing Director & CEO for the financial year 2019-20, in the following manner:

1. Fixed pay - Rs. 140 lacs (w.e.f. April 01st 2019)
2. Variable Pay
 - a. Performance Incentive- Rs. 20 lacs (for FY 2018-19)
 - b. 2083 shares of One97 Communications Limited of face value of Rs. 10 each to be vested over a period of three years as per following details:
 - i. 31st March 2020 – 27% i.e. 562 shares
 - ii. 30th September, 2020 – 20% i.e. 417 shares
 - iii. 30th September, 2021 (upon completion of 3rd year of term) – 53% i.e. 1104 shares.

Except for Mr. Satish Kumar Gupta, none of the other Directors and Key Managerial Personnel (KMP) of the Bank or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

The Board commend passing of this resolution by way of a special resolution.

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

**Sd/-
Satish Kumar Gupta
Managing Director and CEO
DIN: 08190146.**

**Place: Mumbai
Date: August 18, 2020**

**Regd Off: 136, 1st Floor, Devika Tower
Nehru Place, New Delhi – 110019
CIN- U65999DL2016PLC304713**

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING, PURSUANT TO SECRETARIAL STANDARD-2 ISSUED BY INSTITUTE OF COMPANY SECRETARIES OF INDIA (ICSI):

Particulars	Mr. Vijay Shekhar Sharma
DIN	00466521
Date of Birth (Age)	42
Qualification	B.E., Electronics and Communication from Delhi College of Engineering
Remuneration sought to be paid	NA
Terms and conditions of Appointment/Reappointment (s)	Re-appointment as a Director liable to retire by rotation
Justification for choosing the appointee as an Independent Director	NA
Remuneration last drawn from the Bank	NA
Date of first appointment on the Board of Directors of the Bank	22.08.2016
Shareholding in the Bank (as on the date of AGM Notice)	20,40,95,100 Equity Shares of Rs. 10/- each (51%)
Relationship with other Director, Manager and Key Managerial Personnel(s) of the Bank	NA
Number of Board meetings attended during the financial year 2019-20	7
Brief details and nature of expertise in specific functional area	<p>Vijay Shekhar Sharma is an entrepreneur with a long history of building successful companies and products. He has deep expertise in building technology based products and services and realizes the transformative nature of technology and mobility.</p> <p>He has demonstrated his managerial capabilities in One97 Communications Limited which has consistently grown in size and scale since 2001. He is responsible to strategies and directions for sustainable development of the Company. As he is the promoter of the Company, he is associated with One97 Communications Limited since its incorporation, i.e. year 2000. He is having vast experience in providing mobile VAS services to leading telecom operators in India overseas, payment gateway services (online payment services), online recharges and Mobile wallet services etc. Under his valuable guidance, One97 has also started online Market place platform in 2014 under the brand name</p>

	Paytm for facilitating e-commerce activities of buy and sell various goods and services across the country.
Directorship in other Companies	<ul style="list-style-type: none"> • One 97 Communications Limited • Aryan Ayurveda Private Limited • Paytm E-Commerce Private Limited • Paytm Money Limited • Paytm General Insurance Limited • Paytm Life Insurance Limited • VSS Investco Private Limited • VSS Holdings Private Limited
Details of Memberships/ Chairmanships of Committees	<ul style="list-style-type: none"> • Paytm Money Limited (<i>NRC</i>)- <i>Member</i> • One 97 Communications Limited (<i>Corporate Social Responsibility Committee</i>)- <i>Member</i>

FORM NO. MGT.11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U65999DL2016PLC304713

Name of the Bank: Paytm Payments Bank Limited

Registered office: 136, First Floor, Devika Tower, Nehru Place, New Delhi – 110019

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

I/We, being the member(s) of shares of the above named Bank, hereby appoint

1. Name:
Address:
E-mail Id:
Signature:, or failing him

2. Name:
Address:
E-mail Id:
Signature:, or failing him

3. Name:
Address:
E-mail Id:
Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 4th Annual General Meeting of the Bank, to be held on Friday, September 25, 2020, at 11:00 A.M at registered office of the Bank and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No:

Ordinary Business: -

1. *To receive, consider and adopt the audited standalone financial statement of the Bank for the year ended March 31, 2020, the report of the Board of Director's and Auditors' thereon;*
2. *To appoint a director in place of Mr. Vijay Shekhar Sharma, Director (DIN 00466521) who retires by rotation and being eligible, offers himself for re-appointment;*
3. *Appointment of Statutory Auditors of the Bank;*

Special Business: -

4. *To ratify changes in terms of variable Payment of Mr. Satish Kumar Gupta, Managing Director & CEO*

Signed this day of 20 ...

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Bank, not less than 48 hours before the commencement of the Meeting.

PAYTM PAYMENTS BANK LIMITED

Registered Office: 136, First Floor, Devika Tower, Nehru Place, New Delhi - 110019

ATTENDANCE SLIP

Please complete this attendance slips and hand it over at the entrance of the hall.

Full name of the Shareholder in Block Letters:

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Folio No/DP ID :
No. of Shares held:

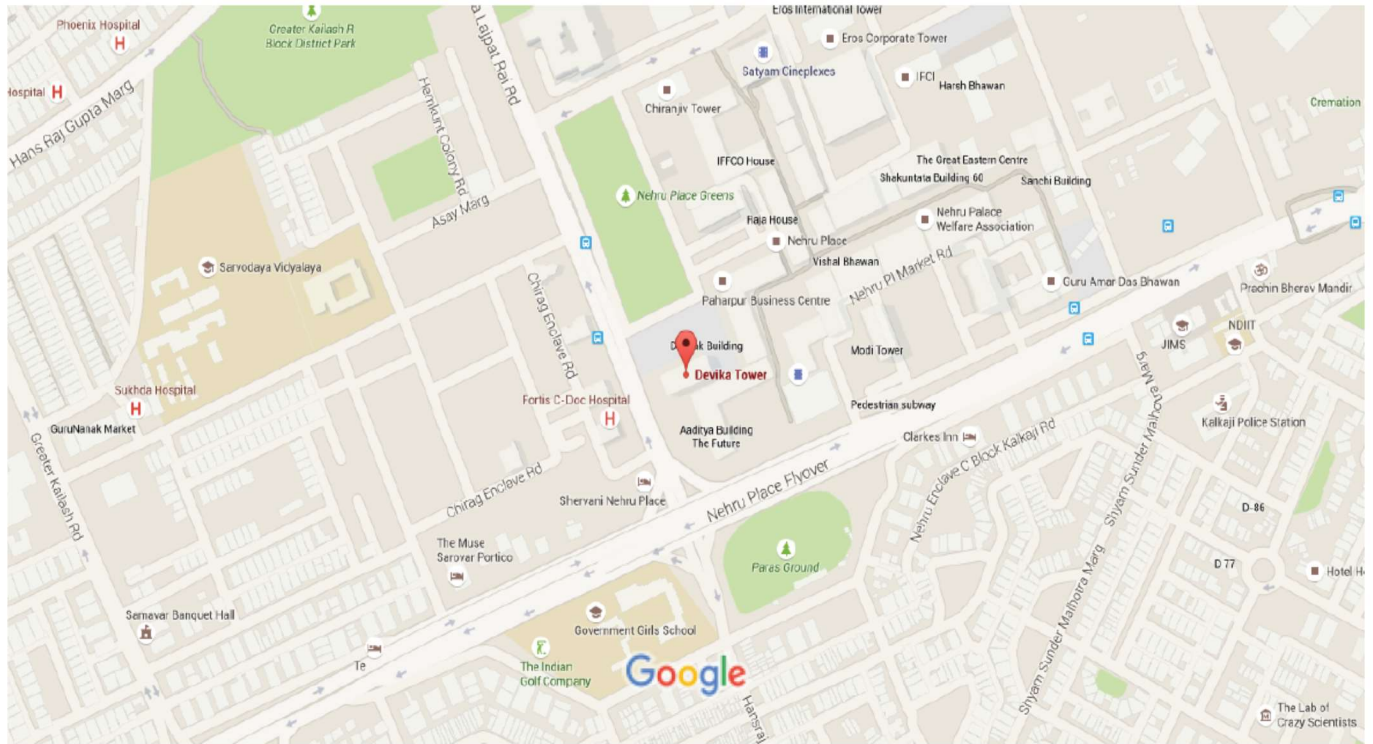
I hereby record my presence at the 4th Annual General Meeting of the bank, held on Friday, September 25, 2020, at 11:00 A.M at the registered office of the Bank situated at 136, First Floor, Devika Tower, Nehru Place, New Delhi – 110019.

Signature of the Shareholder· _____

Note: Only Shareholders of the bank or their Proxies will be allowed to attend the Meeting.

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Route Map of the Location of the Meeting



**Address: Paytm Payments Bank Limited
1st Floor, Devika Tower, Nehru Place, New Delhi**

Landmark: Devika Tower, Nehru Place