



**SELECTION PROCESS FOR THE APPOINTMENT OF A NEW INDEPENDENT
DIRECTOR**

- I. A **list of candidate(s)** will be submitted to the Nomination and Remuneration Committee (NRC/the Committee) by the Secretarial team with the guidance of MD & CEO of the Bank. The candidate(s) may be identified on the **basis of:**
 1. Details available on “MCA Director Database” (Section 150 of the Companies Act, 2013); or
 2. Recommendation by any board member; or
 3. Engagement of external agencies.
- II. The Committee shall review the candidates against the following criteria, while shortlisting the candidate(s) for next steps in the process:
 1. The candidates with background of having worked in the banking industry to be preferred.
 2. Experience in areas relevant to the Bank's functioning, such as Operations, Compliance, Law, Risk Management, Fraud Monitoring, and Audit.
 3. Provisions under Banking Regulation Act, 1949, Companies Act, 2013, and any other applicable laws, articles of association of the Bank should be taken into consideration while short listing the candidate(s).
- III. The Committee may **shortlist qualified candidate(s) (at least 3 persons)** who could be called for interactions with the Committee.
- IV. The Secretarial team shall **seek information as outlined in Annexure A** from the shortlisted candidates before the interactions are scheduled with the Committee.
- V. The Committee shall have interactions with the shortlisted candidate(s) before recommending appointment to the Board. As part of the interactions, the Committee shall consider following factors for evaluation (Section 178(2) of the Companies Act, 2013):
 1. The candidate **shall be between 35 to 70 years of age.**
 2. The candidate shall possess **relevant educational qualifications**, knowledge and skills, competence, expertise, track record, integrity and judgement for performing the duties and responsibilities of a Director of the Bank (pursuant to the requirements under Section 10A and 10B of Banking Regulation Act, 1949).
 3. The candidate shall possess **special knowledge and/ or practical experience** in any of the following fields: accountancy, agriculture and rural economy, banking, co-operation, economics, finance, law, public administration, small scale industry,

information technology, cyber security, payment and settlement systems, human resources, risk management, business management, marketing, fintech or any other field of expertise as deemed appropriate for the Bank's business from time to time (pursuant to the requirements of the RBI circular on "Special knowledge or practical experience useful to banking companies", dated November 24, 2016).

4. The candidate shall have **prior experience** suitable to the present and/or potential future needs and the requirements of the Bank vis-à-vis its stature and complexity of its operations.
5. The candidate shall qualify the "**Fit and Proper**" criteria laid down in the circular no. RBI/2004/268 DBOD.No.BC.105/08.139.001/2003-04 dated June 25, 2004, as amended vide circular RBI/2004-2005/303 DBOD.No.BC. 60 /08.139.001/2004-2005 dated 16th December, 2004, circular RBI/2010-11/ 541 DBOD. No.BC.No. 95 /29.39.001/2010-11 dated 23rd May, 2011 and RBI/2019-20/204 DoR.Appt.No.58/29.67.001/2019-20 dated 31st March, 2020 issued by the Reserve Bank of India ("RBI") (collectively the "**Fit and Proper RBI Circular**").
6. The candidate shall also **fulfil all the eligibility criteria to be appointed as director as prescribed in the Applicable Laws**. The candidate should **not be disqualified** or ineligible to become a director (including independent director) under the Companies Act, 2013 and the rules thereunder, the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("**SEBI Listing Regulations**"), Banking Regulation Act, 1949 and in case of independent director, further to ensure that he/she is not serving as Independent Director in **more than seven listed entities** as per Regulation 17 of SEBI (LODR) Regulations, 2015 and in case a person holding the designation of the Whole Time Director/Managing Director in any listed entity then he cannot hold the independent directorship in **more than three listed entities**. It shall also be ensured that the maximum number of directorship shall not exceed the limits as stipulated under Section 165 of the Companies Act, 2013.
7. The candidate shall fulfil the **criteria of Independence** mentioned under Section 149(6) of the Companies Act, 2013 (applicable in case of selection of candidate as an independent director).
8. The candidate shall have **no conflict of interests in** performing duties as a Director on the Board or in case of conflict of interests, it would be prudent to conclude that the conflict will not create a material risk that the person will fail to perform the duties properly and independently, and adequate disclosures are made by the candidate in this regard.

VI. Once the Committee is satisfied that the candidate(s) are eligible and fit for being appointed as Director(s), it shall:

1. Direct the Secretarial team to **obtain a due diligence certificate** from a practising company secretary w.r.t eligibility of a candidate to act as a director under Banking Regulation Act, Companies Act and SEBI Laws to the extent applicable.
2. **Recommend to the Board** the acceptance of the proposed candidate(s) along with a due diligence certificate so obtained.

- VII. The **Board may, basis the recommendation of the NRC, approve the appointment of the new director(s)** or in case the Board is not satisfied with the candidate(s) selected, may direct the NRC to consider selection of fresh candidate(s).
- VIII. The Bank shall document the specific provisions of the Banking Regulation Act, 1949 under which the appointment of a Director is to be made, and these should be cross-referenced when the appointment will be formalised.
- IX. Once the appointment is finalized, the Secretarial team shall:
1. Ensure an appointment letter to formalise the appointment as Director is issued to the candidate.
 2. Arrange for appropriate induction of the Director into the Bank.
 3. File requisite forms and documents with ROC and the RBI.
 4. Convene a General Meeting for regularisation of appointment of Director

Information/Documents required:

- I. Email ID
- II. Mobile Number
- III. Photo
- IV. Profile of the candidate
- V. DIN
- VI. Copy(ies) of PAN Card and Aadhaar Card
- VII. Educational Certificate(s)
- VIII. Form MBP-1, Form DIR-2 and DIR-8
- IX. Fit & Proper declaration
- X. Deed of covenants
- XI. Declaration of Independence (for Independent Director(s)).