

POLICY HIGHLIGHTS:

APPOINTMENT OF MANAGING DIRECTOR

01. The person being appointed as Managing Director shall fulfill the following 'fit and proper' criteria:
Eligibility:

- (a) The person shall be a graduate, preferably with
 - (i) Qualification in banking/co-operative banking such as CAIIB/Diploma in Banking and Finance/ Diploma in Co-operative Business Management or equivalent qualification; or
 - (ii) Chartered/Cost Accountant/MBA (Finance); or
 - (iii) Post graduation in any discipline.
- (b) The person shall not be below the age of 35 years and above the age of 70 years at any time his/her term in office. However, within the overall limit of 70 years, the Board shall be free to review the policy so as to prescribe a lower retirement age.
- (c) The person shall have a combined experience of at least eight years at the middle/senior management level in the banking sector (including the experience gained in the bank) or non-banking finance companies engaged in lending (loan companies) and asset financing.
- (d) Knowledge of regional language shall be considered as an advantage.

Propriety Criteria:

The person shall **not**

- (a) be engaged in any other business or vocation;
- (b) be holding the position of a Member of Parliament or State Legislature or Municipal Corporation or Municipality or other local bodies;
- (c) be a director of any company other than a company registered under section 8 of the Companies Act, 2013;
- (d) be a partner of any firm which carries on any trade, business or industry;
- (e) have substantial interest in any company or firm as defined in Section 5(ne) read with section 56 of the Banking Regulation Act, 1949;
- (f) be a Director, Manager, Managing Agent, partner or proprietor of any trading, commercial or industrial concern;
- (g) be of unsound mind and stands so declared by a competent court;
- (h) be an undischarged insolvent;
- (i) be convicted by a criminal court of an offence involving moral turpitude;
- (j) be a director of any other co-operative bank or a co-operative credit society.

The person shall submit a self declaration on personal integrity as per Annexure II prescribed by the Reserve Bank of India in this regard..

02. Tenure of Managing Director

The tenure of MD shall not be for a period more than five years at a time subject to a minimum period of three years at the time of first appointment, unless terminated or removed earlier, and shall be eligible for re-appointment. The performance of MD shall be reviewed by the Board annually.

03. Remuneration of MD

The BoD shall determine the amount of lump sum honorarium payable to the MD.

04. Miscellaneous

- (a) The MD shall be an ex-officio member of the BoD and shall not have voting rights in board meetings.
- (b) In public interest, the MD shall execute the deed of covenants in the format (Annexure I) prescribed by the Reserve Bank of India.

