

Fit and proper criteria for Directors and CEOs of StCBs and DCCBs

Ref: RPCD CO RCBD 137/03.01.03/2011-12

W.e.f. July 05, 2011

Position	Criteria
Director (Elected Members)	<p>1. The provisions of the bye-laws of the bank, in question, and the concerned State Cooperative Societies' Act shall be adhered to by the Election Authority in the matter.</p> <p>2. A declaration as in Annex II shall be obtained from each elected director. A special Board-level committee shall be set up by the elected Board to satisfy itself about the information provided by the directors in the declaration.</p>
Professional Director	<p>1. There shall be at least three directors on the Board with a minimum of five years' work experience in any of the following fields :</p> <ul style="list-style-type: none"> i. Accountancy (Qualified Chartered / Cost Accountant) ii. Agriculture (Agricultural Graduate/Post-graduate/Agricultural Engineer) iii. Banking (At senior management level, being a graduate) iv. Finance / Economics / Commerce / Business Administration (CFA / Post-graduate in Economics/ Commerce/ Finance / Management / MBA) v. Law (Law Graduate/Post-graduate) <p>2. In case elected members do not possess prescribed qualifications/experience as above, the Board shall co-opt requisite number of professionals with such prescribed qualifications/experience as directors to ensure that there are</p>

at least three directors with the prescribed qualifications/experience. Such co-opted directors shall have full voting rights.

3. Any person who has had a business relationship with the bank, in question, during the last 3 preceding years will not be eligible. A person having commercial dealings with the bank (viz., contractor, professional like legal advisor, auditor etc.) will be treated as having business relationship with the bank. A person having deposits with/ borrowing from the bank will not be classified as having business relationship for the purpose.

4. The co-opted director will undertake that he/she will not take up any professional work (statutory audit, concurrent audit, legal retainership or empanelment as a lawyer, etc.) in the same bank during his/her term as director of the bank and till two years after demitting office of the director of that bank.

5. Further, a declaration as in Annex II shall be obtained from a co-opted director at the time of his/her appointment. The Board-level committee, as mentioned above, shall undertake a process of due diligence in respect of each co-opted director relying on information given in the declaration.

**Chief
Executive
Officer (CEO)**

1. The person may preferably not be above 55 years of age at the time of appointment.
2. The person to be appointed as CEO shall at least be a:
 - i. Graduate with CAIIB/ DBF/ Diploma in Cooperative Business Management or equivalent qualification; or
 - ii. Chartered/ Cost Accountant; or
 - iii. Post graduate in any discipline
3. The person shall have at least eight years' work experience at the middle/ senior level in the banking sector. Senior / middle level for the purpose shall be taken as the third level (scale/ cadre) onwards (i.e., excluding the first two levels (scales/ cadres) in the officer cadre), or as the highest two levels (scales/cadres) below the level of CEO.
4. The Board of the bank, in question, / Selection Committee should also undertake a process of due diligence in respect of the person, relying on information to be obtained from him/her as in Annex II, before appointment.

Details		
I	Personal details of the candidate	
a	Full name	
b	Date of Birth	
c	Educational Qualifications	
d	Relevant Background and Experience including details of current/previous occupation	
e	Permanent Address	
f	E-mail address/Telephone number	
g	Present address	
h	Permanent Account number under the Income Tax Act and name and address of Income Tax Circle	
i	Record of relevant professional achievements	
j	Relevant knowledge and experience	
k	Any other information relevant for the purpose	
II	Relevant relationships	
a	List of relatives if any who are connected with the bank	
b	List of entities if any in which he/she is considered as interested	
c	Fund and non-fund facilities, if any, presently availed by him/her and/or by entities listed in 'b' above from bank	
d	Cases, if any, where the candidate or entities listed in b' above are in default or have been in default in the last five years in respect of credit facilities obtained from the bank or any other bank	
III	Proceedings, if any, against the candidate	
a	If the candidate is a member of a professional association/body, details of disciplinary action, if any, pending or commenced or resulting in conviction in the past against him/her or whether he/she has been banned from entry into any profession/occupation at any time.	
b	Details of prosecution, if any, pending or commenced or resulting in conviction in the past against the candidate and/or against any of the entities listed in II(b) for violation of economic laws and regulations.	

c	Details of criminal prosecution, if any, pending or commenced or resulting in conviction in the last five years against the candidate.	
d	Has the candidate or any of the entities at II(b) above been subject to any investigation at the instance of Government department or agency?	
e	Has the candidate at any time been found guilty of violation of rules/regulations/legislative requirements by customs/excise/income tax/foreign exchange/other revenue authorities, if so give particulars.	
IV	Any other explanation/information considered relevant for judging fit and proper	

Undertaking

I confirm that the above information is to the best of my knowledge and belief true and complete. I undertake to keep the bank fully informed, as soon as possible, of all events, which take place subsequent to my appointment, which are relevant to the information provided above.

Signature

Place:

Date: