Corporate Governance Policy

Investor Services Department

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1. Bank's philosophy on Corporate Governance:

Bank of Maharashtra recognizes the principles and importance of Corporate Governance and has been complying with not only the statutory requirements, but also has voluntarily formulated and adhered to a set of strong Corporate Governance practices. The Bank has always strived hard to best serve the interest of all its Stakeholders viz. Shareholders, Customers, Government and Society at large. The Bank's philosophy on Corporate Governance is to bestow high standard of transparency, fairness and accountability for performance at all levels and to ensure and achieve excellence through professionalism, social responsiveness, sound business practices and optimum efficiency. This in turn has enabled the Bank to maintain a high level of business ethics to maximize the shareholders' value and to protect their interest.

2. Bank's Vision and Mission:

Vision

To be a vibrant, forward looking, techno-savvy, customer centric Bank serving diverse sections of the society, enhancing shareholders' and employees' value while moving towards global presence.

Mission

To ensure quick and efficient response to customer expectations.
To innovate products and services to cater to diverse sections of society.
To adopt latest technology on a continuous basis.
To build proactive, professional and involved workforce.
To enhance the shareholders' wealth through best practices and corporate governance.
To enter international arena through branch network.

3. Basel Committee on Banking Supervision - Corporate governance principles for Banks.

Bank has also adopted the following sound corporate governance principles prescribed under BASEL norms by Bank for International Settlements (BIS).

Principle 1: Board's overall responsibilities

The board is responsible for approving and overseeing management's implementation of the bank's strategic objectives, governance framework and corporate culture. In particular, the board has ultimate responsibility for the bank's business strategy and financial soundness; key personnel decisions; internal organisation, governance structure and practices; and risk management and compliance obligations. The board should also ensure that the bank maintains an effective relationship with its supervisors. The members of the board should exercise their "duty of care" and "duty of loyalty" to the bank.

Principle 2: Board qualifications and composition

The board should have an appropriate balance of skills, diversity and expertise commensurate with the size, complexity and risk profile of the bank. Board members should be (and remain)

qualified, individually and collectively, for their positions. They should understand their oversight and corporate governance role and be able to exercise sound and objective judgment about the affairs of the bank. Boards should have a clear and rigorous process for identifying, assessing and selecting board candidates. Board members should not have any conflicts of interest that may impede their ability to perform their duties independently and objectively

Principle 3: Board's own structure and practices

The board should undertake regular assessments of its performance, the role of the chair and the board committees. The chair of the board plays a crucial role in the proper functioning of the board and should be an independent or non-executive board member. Board committees on audit, risk and compensation are required for systemically important banks and strongly recommended for other banks. The board should oversee the implementation and operation of policies to identify potential conflicts of interest.

Principle 4: Senior management

There should be clarity on the role, competencies, appointment process, delegation of duties and accountability of the senior management. It should manage a bank's activities in a manner consistent with the business strategy, risk appetite, remuneration and other policies approved by the board. Senior management should provide the board with the information it needs to carry out its responsibilities. It should keep the board informed on all material matters, including changes in business strategy, financial conditions, breaches of risk limits, legal or regulatory concerns and issues raised from the bank's whistleblowing procedures.

Principle 5: Governance of group structures

In a group structure, the board of the parent company has the overall responsibility for the group and for ensuring the establishment and operation of a clear governance framework appropriate to the structure, business and risks of the group and its entities. The board and senior management should know and understand the bank group's organizational structure and the risks that it poses.

Principle 6: Risk management function

Banks should have an effective independent risk management function, under the direction of Chief Risk Officer (CRO) or equivalent, with sufficient stature, independence, resources and access to the board.

Principle 7: Risk identification, monitoring and controlling

Risks should be identified, monitored and controlled on an ongoing bank-wide and individual entity basis. The sophistication of the bank's risk management and internal control infrastructure should keep pace with changes to the bank's risk profile, to the external risk landscape and in industry practice.

Principle 8: Risk communication

An effective risk governance framework requires robust communication within the bank about risk, both across the organization and through reporting to the board and senior management.

Restricted

Principle 9: Compliance

The Bank's board of directors is responsible for overseeing the management of the bank's compliance risk. The board should establish a compliance function and approve the bank's policies and processes for identifying, assessing, monitoring and reporting and advising on compliance risk.

Principle 10: Internal audit

The internal audit function should provide independent assurance to the board and should support board and senior management in promoting an effective governance process and the long term soundness of the bank.

Principle 11: Compensation

The bank's remuneration structure decided by the Government of India should support sound corporate governance and risk management.

Principle 12: Disclosure and transparency

Such disclosure should include material information on the bank's objectives, organisational and governance structures and policies, major share ownership and voting rights, related-party transactions, recruitment and compensation policies, and key information concerning its risk exposures and risk management.

4. Board of Directors:

4.1 Composition of the Board:

The composition of the Board is governed by the provisions of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, Banking Regulation Act, 1949 and Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970, as amended from time to time.

The composition of Board of Directors of the Bank shall be as per provisions of Section 9(3) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and in line with RBI Guidelines dated 26.04.2021 and SEBI (LODR) Regulations 2015:

Sr. No	Post	Clause under which appointed	Remarks (nature of appointment in the Bank / other Companies)
1	Chairman/ Managing Director & CEO/ Executive Director/s	9(3)(a)	Not more than five Whole Time Directors* to be appointed by the Central Government after consultation with the Reserve Bank of India.
2	Government Nominee Director	9(3)(b)	One Director who is an official of the Central Government to be nominated by the Central Government.
3	RBI Nominee Director	9(3)(c)	One Director to be nominated by the Central Government on the recommendation of the Reserve Bank of India

4	Workmen Employee Director	9(3)(e)	One Director from among such of the employees of the Bank, who are workmen.
5	Officer Employee Director	9(3)(f)	One Director from among such of the employees of the Bank, who are not workmen.
6	Chartered Accountant Director	9(3)(g)	One Director who has been a Chartered Accountant for not less than fifteen years to be nominated by the Central Government after consultation with the Reserve Bank of India.
7	Part Time Non- official Directors #	9(3)(h)	Having special knowledge or practical experience in respect of a. Agriculture & Rural Economy b. Banking c. Co-operation d. Economics e. Finance f. Law g. Small scale Industry h. Any matter the special knowledge of, and practical experience in, which would, in the opinion of the Reserve Bank of India, be useful to the Bank.
8	Shareholder Directors #	9(3)(i)	Elected by Shareholders of Bank other than Central Government. where the capital issued under clause (c) of sub-section (2B) of section (3) is i) not more than sixteen per cent of the total paid-up capital, one director. ii) more than sixteen per cent but not more than thirty-two per cent of the total paid-up capital, two directors, iii) more than thirty-two per cent of the total paid-up capital, three directors.

*Depending on business turnover of Bank.

#subject to provisions of Section 9(3)(i) of the Act, total not more than six Directors under category 9(3)(h) and (i).

Following guidelines of RBI vide circular dated 26.04.2021 and SEBI (LODR) Regulations will also be considered in composition of Board.

1) The Chair of the board shall be an independent director.

2) In the absence of the Chair of the board, the meetings of the board shall be chaired by an independent director.

*3) The quorum for the board meetings shall be one-third of the total strength of the board or three directors, whichever is higher. **

4) At least half of the directors attending the meetings of the board shall be independent directors.

Restricted

*__Quorum for Board meeting:__ As Bank is governed by Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970, the quorum of a meeting of the Board shall be one-third of the number of directors holding office as such directors of the Board on the day of the meeting, subject to a minimum of three directors, two of whom shall be directors referred to in clause (b) or clause (c) or clause (h) of sub-section (3) of section 9 of the aforementioned Act.

As per Regulation 17 of SEBI (LODR) Regulations, 2015 (applicable from 01.09.2021):

1) *The Board of directors shall have an optimum combination of executive and non-executive directors with at least one-woman director and not less than fifty per cent of the board of directors shall comprise of non-executive directors.*

2) *where the chairperson of the board of directors is a non-executive director, at least one-third of the board of directors shall comprise of independent directors and where the listed entity does not have a regular non-executive chairperson, at least half of the board of directors shall comprise of independent directors.*

3) *Board of directors of the Bank shall have at least one independent woman director.*

The Managing Director & CEO shall chair the meeting of Board till separate Chairman is appointed by Government of India in terms of clause 5 & 12 (6) of the **Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970** on Board of Bank.

Chairman appointed by Government of India shall preside over the meetings of the Board as per clause 5 of the Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970.

Shareholder Director to be elected shall possess requisite educational qualifications and experience so as to be eligible and qualify for fit and proper criteria as prescribed by Reserve Bank of India / Government of India from time to time.

The above pattern of composition of the Board ensures that the Board is broad based, consists of employees, professionals from various fields and administrators, and results in representation to the stakeholders and administrators and independent directors in the process of decision making.
The predominance of non-executive/independent directors is aimed at enabling the board to have a meaningful discussion, ensuring transparency and taking an unbiased and qualitative view on matters placed before the Board.

4.2 Functions of the Board:

The effective functioning of the Board is the key to good corporate governance. The Board of Directors has the ultimate responsibility for the overall management of the Bank. As the topmost decision-maker in the organization, the Board guides the bank as it strives to achieve its objectives in a prudent and efficient manner. In the interest of good governance, all the key information shall be placed before the Board and must form part of the agenda papers.

4.3 Responsibilities of the Board:

The Board of Directors has the ultimate responsibility for the overall management of the Bank. The Board guides the bank to achieve its objectives in a prudent and efficient manner.

The Board shall be primarily responsible for ensuring that all financial transactions are legal and that all disclosures are made as per regulations. The responsibility of the management is to implement the strategy for the Bank that is designed to deliver increasing value to the shareholders. The Board shall ensure that information flows upward and the authority flows downward and thus the Bank is under their control, direction and superintendence.

In the interest of good governance, all the key information shall be placed before the Board and must form part of the agenda papers. The Calendar of agenda / reviews as prescribed by RBI from time to time shall normally form part of the agenda for the Board Meeting**.**

Bank shall put in place various policies, which are approved by the Board. Bank shall conduct its operations/activities within the parameters laid down under these policies. All the policies shall be placed before the Board for review as per periodicity.

All the Directors and Senior Management of the Bank shall affirm the Code of Conduct annually as adopted by the Board of Directors of the Bank. The Annual Report shall contain a declaration to this effect signed by the Managing Director & CEO.

Some of the major responsibilities of Board of Directors are to:

i. Ensure that the Governance principles set for the bank comply with all relevant laws, regulations and other applicable codes of conduct. Set the business policies in consultation with the Management of the Bank.
ii. Provide strategic guidance for implementation of business policy and structure a management information system for review and course correction.
iii. Ensuring proper implementation of the guidelines of the business & other policies and take action as under: -

    i Establish appropriate systems to regulate the risk appetite and risk profile of the Bank. It will also enable identification and measurement of significant risks to which the Bank is exposed in order to develop an effective risk management system.

    ii Ensure that all supervisory/regulatory directions are submitted and the supervisor's recommendations are utilized in the assessment of the performance of the senior management in implementation of Board philosophy.

    iii Ensure that the IT systems in the Bank are appropriate and have built-in checks and balances to produce data with integrity.

iv Formulate, adopt and review of the various policies prescribed by various Statutory Authorities from time to time.

v Set Standards of Business Conduct and Ethical Behavior for members and Senior Management.

vi Ensure that the Bank has in place a robust compliance system for all applicable laws and regulations.

vii Prescribe the forms and frequency of reporting to the Board in respect of each of the above areas of responsibility.

viii Set up sound system of internal controls and audit including Financial, operational and Compliance controls and annual review of such system for their effectiveness.

ix Monitor the financial performance of the Bank and must ensure that the financial results are prepared in accordance with the generally accepted accounting principles and regulations issued by the RBI and are reported to shareholders and regulators on a timely and regular basis.

x Ensure that all material developments of the Bank are disclosed to the public on a timely basis in accordance with the Standard Listing Regulations requirement.

xi Delegate the responsibilities to mandated/ other recommended Empowered Committees of Directors in discharging of the above governance functions, while retaining its primary accountability

xii Execute such other duties as defined under the relevant Government of India / RBI / SEBI Guidelines.

4.4 <u>Powers of the Board</u>:

In exercise of powers conferred by Section 9 of the Act, the Central Government has framed The Nationalized Banks (Management & Miscellaneous Provisions) Scheme, 1970, for carrying out the provisions of the Act.

In terms of Section 7(2) of the Banking Companies (Acquisition and Transfer of Undertakings) Act 1970, the general superintendence, direction and management of the business of the Bank vests with the Board of Directors. However, in discharging its functions, it is guided by the directions of the Central Government on matters of policy involving public interest.

4.5 Role of Non-Executive Directors:

Govt. of India, Ministry of Finance, Department of Economic Affairs (Banking Division), New Delhi vide its Circular Letter F.No. 9/17/2000-B.O.I dated 19.09.2002 prescribes the Guidelines on the Role and Functions of Non-official Directors on the Boards of Nationalized Banks.

The Non-Executive / Independent Directors shall play an increasingly important role as the representatives of shareholders and other stakeholders. In this connection they shall:

- Attend the meetings regularly,
- Be active participants in board meetings, and not passive advisors,
- Have clearly defined responsibilities within the board.
- Analyze & interpret various statutes, laws its implications and accounts presented to them.
- Shall play an increasingly important role as the representatives of shareholders and other stakeholders and in overseeing the performance of Whole Time Directors.
- In view of the diverse background, qualifications and experience of the non-whole time directors, it is the endeavor of the Bank to impart internal or external training to them in matters of banking, regulatory requirements and current trends in global banking.
- Be allowed to take independent professional advice, on matters of vital importance for which an agreed procedure shall be established.
- Bring an independent judgment to bear on issues of strategy, performance, resource planning, appointment of key personnel and prescription of standards of conduct.
- Be active, have defined responsibilities and be conversant with bank's account.
- The Non-Executive / Independent Directors play an important role in deliberations at the board meeting and bring to the Bank their wide experience in the fields of finance, housing, accountancy, law, technology, public policy, engineering and industry.

4.6 Age and Tenure of office of Directors:

The age and tenure of office of Directors shall be as specified in the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, The Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970, Government of India/ RBI guidelines issued from time to time or as per terms of appointment indicated to them by the Central Government.

Directors, other than Shareholder Director, are appointed/ re-appointed by Government of India and their eligibility criteria with regard to age, tenure etc. are also decided by the Government of India.

Shareholder Director is elected by the Shareholders in AGM/ EGM and shall hold office for three years and shall be eligible for re-election provided that no such director shall hold office continuously for a period exceeding six years [Reference: Clause 9 of Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970]

4.7 Board Meetings:

The Board shall meet regularly, retain full and effective control over the Bank and monitor the executive management. The Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970 provides that the meetings of the Board shall ordinarily be held at least six times in a year and at least once in every quarter.

Meetings of the Committees of the Board shall be held as required under the statutes / guidelines / Listing Regulations governing such meetings and as often as required by the circumstances.

The Meetings of the Board/Committees of the Board shall be held with reasonable time at the Head Office of the Bank or at such other place as the Board/Committee may decide.

4.8 Notice and Agenda for the Board / Sub-Committee meetings:

The Notice of the Meetings of the Board / Sub-Committee generally be given at least 15 days before the date of the Meeting and in case of intervening changes in Meeting Date and or Place be also notified in short notice due to administrative reasons if any, after obtaining approval from the Chairman of the Board. Meetings at shorter notice may also be convened to address specific urgent need or with consent of all of the directors. In case of exigencies or urgency Resolution are also being passed by circulation among Directors as per the provisions of the statutes/guidelines/Listing Regulations applicable to the Bank.

The agenda for the Meeting of Board/ Sub-Committees shall generally be sent to the Directors at least 7 days prior to the Meeting. In exceptional cases agenda may also be sent to Directors 2 days prior to the Meeting. Further, any sensitive matter on the agenda, relevant information shall be made available only at the time of the Board Meeting as a table agenda.

Any item not included in the agenda may be taken up for consideration with the permission of the Chairman and with the consent of majority of directors present in the meeting. Further, supplementary notes on any of the agenda items may be circulated at or prior to the meeting but shall be taken up with the permission of the Chair and with the consent of the majority of directors present in the meeting.

The Bank may circulate agenda notes to its Directors through electronic documents on iPAD through software specifically made available for conducting Board / Sub-committee meetings.

4.9 Agendas to be placed before ACB/ Board and its rationalization

The exercise of Review of agendas & its rationalization should be carried out on yearly basis and to be placed before the huddle committee of Chief General Manager / General Manager.

4.10 Minimum Information to be placed before Board of Directors

As per Regulation 17(7) read with Part A of Schedule II of SEBI LODR Regulations 2015 , the following information shall be placed before the board:

A. Annual operating plans and budgets and any updates.
B. Capital budgets and any updates.
C. Quarterly results for the listed entity and its operating divisions or business segments.

D. Minutes of meetings of audit committee and other committees of the board of directors.

E. The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.

F. Show cause, demand, prosecution notices and penalty notices, which are materially important.

G. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.

H. Any material default in financial obligations to and by the listed entity, or substantial non-payment for goods sold by the listed entity.

I. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the listed entity or taken an adverse view regarding another enterprise that may have negative implications on the listed entity.

J. Details of any joint venture or collaboration agreement.

K. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.

L. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.

M. Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.

N. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

O. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

4.11 <u>Attendance in Board meeting</u>:

Every Director of the Bank must attend the meeting of Board/ Committee of Directors personally at least one meeting in a financial year. In case a Director cannot attend a specific Board Meeting, he or she shall obtain leave of absence from the Board.

Directors can attend the meeting through video conference or other audio-visual means as may be specified except for the agenda which carry price sensitive information such as Annual Financial Results, Declaration of dividend etc., However, in exceptional cases, the directors can attend the meeting through video conferencing for adoption of Annual Financial result, Declaration of Dividend etc. Directors shall confirm their participation by video conference.

Restricted

Participation of the Directors in the meeting will be confirmed by the Chairman/ Secretary after taking a roll call.

4.12 Video recording of meetings:

"Video conferencing or other audio-visual means" has been defined to mean that audio- visual electronic communication facility employed which enables all the persons participating in a meeting to communicate concurrently with each other without an intermediary and to participate in the meeting effectively and efficiently. All such meetings where any of the directors participate through video-conferencing shall be recorded using electronic recording mechanism. Such recordings shall be preserved as part of the records of the Bank at least before the time of completion of audit of that particular year as per Rule 3(2)(d) of the Companies (Meetings of Board and its Powers) Rules, 2014. Here we propose to retain such records till annual statutory audit of the Bank is completed and financial results for that particular year are declared.

4.13 Minutes of the Board/ Sub-Committee Meetings:

The minutes of all meetings of the Board /Sub-committees shall be circulated as soon as possible to the members of the Board / Sub-Committees from the date of the Board /Sub-Committee meeting and shall be approved & confirmed in the next Board /Sub-Committee meeting.

The draft Minutes shall be circulated by hand or by speed post or by registered post or by courier or by e-mail or by any other recognised electronic means such as e-meeting application or any other application being used for the purpose of the meeting, to all the members of the Board or the Committee, as on the date of the Meeting, for their comments.

The Directors, whether present at the Meeting or not, shall communicate their comments, if any, in writing on the draft Minutes within seven days from the date of circulation thereof, so that the Minutes are finalised in a time bound manner.

If any Director communicates his comments after the expiry of the said period of seven days, the Chairman, if so authorised by the Board, shall have the discretion to consider such comments. In the event a Director does not comment on the draft Minutes, the draft Minutes shall be deemed to have been approved by such Director.

4.14 Circular Resolution:

A circular resolution may be proposed only when a decision is required urgently, and it is not feasible to hold a physical or virtual board meeting. Matters that cannot be decided by circulation include, but not limited to:

- Approval of financial statements
- Approval of the Board's report
- Approval of any transactions involving a material interest or conflict of interest

The Company Secretary or authorized official shall initiate the process by preparing a draft resolution. The draft resolution must clearly state the background of the matter, the rationale for urgency and the proposed decision and course of action.

The draft resolution, along with necessary supporting documents, shall be circulated to all directors via electronic means or any other agreed-upon method. Directors must be given a minimum of seven days to respond, unless a shorter period is approved in advance by a majority of the directors, in case of exceptional urgency.

Each director shall communicate their approval, disapproval, or abstention in writing (via email or physical signature) within the stipulated time frame. Once the resolution is approved by the requisite majority, it shall be recorded as passed and noted at the next Board meeting.

All circular resolutions, along with directors' responses, shall be maintained in the bank's records for a period as stipulated by the relevant laws and internal record-keeping policies.

4.15 Compensation / Sitting fees:

The remuneration to the Whole Time Directors shall be paid in accordance with the guidelines of the Government of India.

Directors of Bank nominated under clauses (c)*, (e), (f), (g), (h) and (i) of sub section (3) of Section 9 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 shall be entitled to following sitting fees:

a. Board meeting: Rs.40,000/- per meeting
b. Committee meeting: Rs.20,000/- per meeting
c. Chairing Board and Committee meeting: Rs.10,000/- and Rs.5,000/- per meeting in addition to above.

The above revised sitting fees payable to the Directors is as per the GoI Notification dated 18th January, 2019.
Note: *with approval of RBI.

4.16 Tenure of MD & CEO and WTDs:

Tenure of MD & CEO and WTDs appointed on Board of Bank shall be governed by the Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970 and Government of India / RBI Guidelines and directives.

4.17 Disqualification of Directors:

In terms of Clause 10 of Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970, a person shall be disqualified for being appointed as or to continue as a Director –

i. If, at any time, he/she has been adjudicated as an insolvent or has suspended payment or has compounded with his/her creditors; or

ii. If he/she has been found to be of unsound mind and stands so declared by a competent Court; or

iii. If he/she has been convicted by a Criminal Court of an offence, which involves moral turpitude; or

iv. If he/she holds any office of profit under any nationalized Bank or State Bank of India constituted under sub-section (1) of Section 3 of the of the State Bank of India Act, 1955 or any subsidiary Bank as defined in Section 3 of the State Bank of India (Subsidiary Banks) Act, 1959 except for holding the post of a whole-time Director, including the Managing Director and Directors nominated under clauses (e) and (f) of sub-section (3) of Section 9 of the Act from among the employees of the Bank.

4.18 Training of Directors:

Training of Board Members

Training is considered an important aspect for effectively discharging the responsibilities by the Directors. The Bank imparts both in-house and outside training to its Directors.

Information on Directors' induction

All non-executive Directors would be provided with a comprehensive document containing *inter alia,* a brief profile of the Bank, annual reports for the previous three years and performance for the current year, Code of Corporate Governance which includes the Board of Directors, various Committees of the Board, their terms of reference, Insider Trading Code, Code of Conduct for Directors clearly explaining the Do's and Don'ts for Directors, etc., and details of the Senior Management Team of the Bank.

Familiarization Program

The Bank shall familiarize the directors through various programs about the Bank, including the following:
(a) nature of the banking industry;
(b) business model of the bank;
(c) roles, rights, responsibilities of directors; and
(d) any other relevant information.

Other Training Modules / Outside Trainings

The Bank would utilize the services of CAFRAL, NIBM and such similar institutions for apprising the Board members on various aspects of corporate governance and banking related topics. In order to enable them to function better, the Bank would also identify reputed institutions where Board members can have interaction with senior faculty and industry persons on all related issues. In order to apprise the members about global perspectives, the Bank may consider overseas training for specific macro areas like leadership structure, organization effectiveness, etc.

In-house training

Senior Management Team would, from time to time and as and when necessary, make presentations to the Directors on the new enactments in law as well on the amendments, if any to enable them to appreciate and understand the effect of the new enactments/amendments on the affairs of the Bank.

The Bank would also seek to provide a conducive environment to the Directors to seek information/clarification from the Senior Management Team or heads of various functions of the Bank. The Bank strongly believes that the interaction on functional / operational areas would lead to better management and control.

Feedback

The Bank would seek to obtain a feedback responses / suggestions from the Directors who have undergone training with a view to consider modification / amendment or improving the internal systems.

4.19 Sub-Committees of the Board of Directors:

The Board of Directors of the Bank has constituted various committees of Directors and / or executives to look into areas of Strategic importance, Corporate Governance, Risk Management and other functional areas in terms of Reserve Bank of India / SEBI / Government of India Guidelines:

1. **Management Committee of the Board:**
   The Management Committee (MC) of the Board is constituted as per provisions of clause 13 of the Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970. Role of Management Committee is to consider various business matters of material significance like sanction of high value credit / Investment proposals, compromise/write-off proposals, sanction of capital and revenue expenditure and any other matter referred by the Board.

   The composition, quorum and frequency of meetings, roles and responsibilities of the committee, terms of reference and powers of committee are detailed in the charter in Annexure I of the policy.
2. **Credit Approval Committee of the Board:**
   The Credit Approval Committee of the Board is constituted as per Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970. Role of Committee is to consider the credit and loan compromise / write off proposals as delegated by the Board/ GoI Guidelines.

   The composition, quorum and frequency of meetings, roles and responsibilities of the committee, terms of reference and powers of committee are detailed in the charter in Annexure I of the policy.

3. **Audit Committee of the Board:**
   The Audit Committee of the Board (ACB) is constituted as per the guidelines of the Reserve Bank of India and Government of India, SEBI (LODR) Regulations, 2015**.**

   The ACB provides direction and also oversees the operation of the total audit, internal control functions and review the policies of the Bank.

The composition, quorum and frequency of meetings, roles and responsibilities of the committee, terms of reference and powers of committee are detailed in the charter in Annexure I of the policy.

4. Risk Management Committee:

The Risk Management Committee of the Board is constituted as per the guidelines issued by Reserve Bank of India and SEBI (LODR) Regulations, 2015**.**

Role of the Committee is to devise policies and strategies for Integrated Risk Management containing various risk exposures of the Bank including the credit risk. Risk Management committee will also ensure compliance of ESG Norms as stipulated in the Bank's Risk Management Policy.

The composition, quorum and frequency of meetings, roles and responsibilities of the committee, terms of reference and powers of committee are detailed in the charter in Annexure I of the policy.

5. Customer Service Committee:

The Customer Service Committee of the Board is constituted as per the directions / guidelines of the Reserve Bank of India. Role of the Committee is to review a feed-back on quality of customer service in the Bank and to have innovative measures for enhancing the quality of customer service by bringing about on-going improvements in the systems and procedures of the Bank.

The composition, quorum and frequency of meetings, roles and responsibilities of the committee, terms of reference and powers of committee are detailed in the charter in Annexure I of the policy.

6. Stakeholders Relationship Committee:

The Stakeholders Relationship Committee is constituted as per the Regulation 20 SEBI (LODR) Regulations, 2015. The Committee review the various aspects of interest of shareholders, debenture holders and other security holders as per SEBI (LODR) Regulations, 2015.

The composition, quorum and frequency of meetings, roles and responsibilities of the committee, terms of reference and powers of committee are detailed in the charter in Annexure I of the policy.

7. Share Transfer Committee:

The Share Transfer Committee is constituted as per the Bank of Maharashtra (Shares& Meetings) Regulations, 2004. The Committee looks after the matters related to applications of transfer/ transmission of shares held in physical form, Issue of Duplicate Share certificates etc.,

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The composition, quorum and frequency of meetings, roles and responsibilities of the committee, terms of reference and powers of committee are detailed in the charter in Annexure I of the policy.

8. Special Committee of the Board for Monitoring and Follow-up of cases of Frauds:

Special Committee of the Board for Monitoring and Follow-up of cases of Frauds is constituted as per the directions / guidelines of Reserve Bank of India. The Committee monitor / review the large value frauds.

The composition, quorum and frequency of meetings, roles and responsibilities of the committee, terms of reference and powers of committee are detailed in the charter in Annexure I of the policy.

9. Directors' Promotion Committee:

The Directors' Promotion Committee is constituted as per the guidelines of the Government of India. The Committee deals with review of vigilance disciplinary cases and departmental enquiries.

The composition, quorum and frequency of meetings, roles and responsibilities of the committee, terms of reference and powers of committee are detailed in the charter in Annexure I of the policy.

10. IT Strategy Committee:

The IT Strategy Committee of the Board was constituted in the Bank to deal with all aspects of IT Governance including choosing the right IT strategy and monitoring implementation of all strategic IT plans.

The composition, quorum and frequency of meetings, roles and responsibilities of the committee, terms of reference and powers of committee are detailed in the charter in Annexure I of the policy.

11. Nomination and Remuneration Committee (NRC):

This Committee of the Board is constituted in terms of RBI guidelines dated 02.08.2019 and SEBI (LODR) Regulations, 2015**.**

The Committee examine and accord 'fit and proper' status of persons to be elected as shareholder director on the Board as per the provisions of Section 9(3) (i) of Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970.

The composition, quorum and frequency of meetings, roles and responsibilities of the committee, terms of reference and powers of committee are detailed in the charter in Annexure I of the policy.

12. Steering Committee on HR:

This Committee of the Board is constituted as per the guidelines of the Government of India. The Committee looks after the matters / issues related to Human Resources.

The composition, quorum and frequency of meetings, roles and responsibilities of the committee, terms of reference and powers of committee are detailed in the charter in Annexure I of the policy.

13. Committee of Board as Appellate / Reviewing Authority:

This Committee deals with review of vigilance / non-vigilance disciplinary cases and departmental enquiries in line with guidelines of Government of India.

The composition, quorum and frequency of meetings, roles and responsibilities of the committee, terms of reference and powers of committee are detailed in the charter in Annexure I of the policy.

14. Committee of Board for monitoring NPA Recovery:

The Committee reviews and monitors NPA Recovery in the Bank provides oversight on collection system and recovery of loans & advances and monitors recovery performance in large value NPA accounts.

The composition, quorum and frequency of meetings, roles and responsibilities of the committee, terms of reference and powers of committee are detailed in the charter in Annexure I of the policy.

15. Financial inclusion Committee:

The Committee have been constituted to monitor and review the progress of financial inclusion schemes of the Government of India such as for monitoring the progress of achievement in digital transactions, Progress report on the Performance of various Pradhan Mantri Schemes under Financial Inclusion etc.,

The composition, quorum and frequency of meetings, roles and responsibilities of the committee, terms of reference and powers of committee are detailed in the charter in Annexure I of the policy.

16. Review Committee for declaration of Willful defaulters:

This Committee is constituted as per RBI guidelines to identify the willful defaulters of the Bank.

The composition, quorum and frequency of meetings, roles and responsibilities of the committee, terms of reference and powers of committee are detailed in the charter in Annexure I of the policy.

17. Committee for Performance Evaluation:

This Committee is constituted as per Government of India guidelines to evaluate the performance of Whole Time Directors and Chief General Managers/General Managers (in control of Risk, Compliance and Audit) of the Bank.

The composition, quorum and frequency of meetings, roles and responsibilities of the committee, terms of reference and powers of committee are detailed in the charter in Annexure I of the policy.

18. Special Committee of Board for Compromise

Bank has put in place a Special Committee for Compromise, in accordance with the guidelines issued by the Reserve Bank of India. The committee looks after the matters/ issues related to Settlements/ Compromises of loans.

Other Committees.

The Board shall have powers to form other Committees from time to time and define their terms of reference.

Note of re-constitution of committees will be placed to Board in case of appointment / vacation of office of any director based on the respective charters.

4.20 Noting of Minutes of Sub-committees of the Board

Minutes of all sub-committees of the Board as mentioned above to be laid before the Board as soon as possible after the meeting as per regulatory guidelines.

4.21 Special Provisions (Para 14A of The Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970 :

In case of insufficient quorum and non-availability of composition of sub-committees of the Board, the agenda pertaining to these committees will be submitted to Board for approval/confirmation as per Para 14A of Nationalized Banks (Management and Miscellaneous Provision) Scheme, 1970

4.22 Procedure to conduct review of sub-committees':

The Board shall conduct an annual review of the performance and effectiveness of its sub-committees. This review will assess the alignment of each sub-committee's activities with the Board's strategic objectives, the adequacy of its composition and the overall effectiveness of its functioning. The review process may include feedback from sub-committee members, an evaluation of the sub-committee's adherence to its charter and relevant governance policies, and any recommendations for improvements or changes.

The review of working of sub-committees may be done on the following criteria:

a. ***Mandate and composition***: Whether the mandate, composition and working procedures of committees of the board of directors is clearly defined and disclosed.

b. ***Effectiveness of the Committee***: Whether the Committee has fulfilled its functions as assigned by the Board and laws as may be applicable.

c. ***Structure of the Committee and meetings:***

i. Whether the Committees have been structure properly and regular meetings are being held

ii. In terms of discussions, agenda, etc. of the meetings, similar criteria may be laid down as specified above for the entire Board

d. ***Independence of the Committee from the Board***: Whether adequate independence of the Committee is ensured from the Board

e. ***Contribution to decisions of the Board:*** Whether the Committee's recommendations contribute effectively to decisions of the Board.

f. ***Compliance of Directions given by Sub-committees :*** Status of complied and pending directions should be placed before the Board.

The review of working of sub-committees should be done on an annual basis after the end of financial year.

4.23 Code of Conduct for Directors & Senior Management:

The Code of Conduct adopted by the Bank shall be posted on the website of the Bank. The members of the Board and senior management of the Bank shall submit their affirmation on compliance with the Code of Conduct for the effective period. The declaration by the Board and senior management of the Bank to that effect shall form part of the annual report.

4.24 Responsibilities of the Senior Management:

The Managing Director & CEO/ Executive Directors of the Bank and other key functionaries are responsible for the operations and day to day management of the Bank in line with the directions of the Board and the Committees set up by the Board.

Senior management shall make disclosures to the Board of directors relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the listed entity at large.

Further, it is the duty of the Senior management to provide timely and accurate information to the Board of Directors to enable them to make informed decision for the stakeholders. Additionally, it is the responsibility of the Chief General Manager /General Manager/ Vertical Head to provide key points / executive summary for voluminous agenda items along with the agenda notes.

4.25 Meeting of Audit Committee with CCO, CRO & Incharge of Inspection & Audit:

As per extent guidelines, the Audit Committee of the Board or Non-Executive Directors of the Board, in absence of Audit Committee, shall meet the Chief Compliance Officer (CCO), Chief Risk Officer (CRO) and Chief General Manager/ General Manager- incharge of Inspection & Audit on one-on-one basis, without the presence of the senior management.

4.26 Performance Evaluation

(a) Performance Evaluation of Whole Time Directors and General Managers/ Executives in charge of internal functions of Bank such as Audit, Compliance and Risk:

Department of Financial Services (DFS), GoI vide its Letter No.F.No.9/5/2009-IR dated 30th August, 2019 has advised the Bank to make arrangements for recording of Annual Performance Appraisal Reports (APARs) of Managing Director and CEOs, Executive Directors and Chief General Managers/ General Managers/ Executives (in charge of internal functions) of Bank. Accordingly, Bank had constituted Board Committee for Performance Evaluation to evaluate the performance of Managing Director and CEO, Executive Directors and Chief General Managers/ General Managers/ Executives in charge of internal functions of Bank such as Audit, Compliance and Risk.

In this regard, DFS vide its letter bearing reference no. eF.No.9/5/2009-IR dated 06.02.2023 , wherein it has been advised to MD &CEO of all Nationalized Bank , that revised arrangement for recording APR for Managing Director and CEOs, Executive Directors and Chief General Managers/ General Managers/ Executives (in charge of internal functions) of Bank would be as under:

Sr. No	Designation	Reporting Authority	Reviewing Authority	Accepting Authority
1.	Managing Director & CEO	Board Committee for Performance Evaluation	Board Committee for Performance Evaluation	Board Committee for Performance Evaluation
2.	Executive Director	Managing Director & CEO	Board Committee for Performance Evaluation	Board Committee for Performance Evaluation
3.	Chief General Manager/ General Manager in charge of internal Control Functions (Risk, Compliance and Audit)	Executive Director concerned	Managing Director & CEO	Board Committee for Performance Evaluation
4.	Chief General Manager/ General Manager in charge of Functions other than internal Control functions	Executive Director concerned	Managing Director & CEO	Managing Director & CEO

As per the format prescribed by Department of Financial Services vide notification no.F.NO./12/1/2014-BOA dated 18th August, 2015, performance evaluation of Whole Time Directors of Bank have to be carried in two parts:

i) Quantitative and; ii) Qualitative

Quantitative assessment is based on the actual achievement of Bank during the financial year under select parameters prescribed by DFS, Government of India.

The Qualitative parameters include the following:

i. Improvement in External Credit rating
ii. Strategic Initiatives taken to improve Asset Quality
iii. Efforts made to conserve Capital
iv. HR Initiatives (Skill Development and Talent Management).

The Bank shall evaluate the performance of Directors as per the matrix/ criteria specified under the applicable regulations/ GoI guidelines.

Further, as per SEBI (LODR) Regulations, 2015 and other applicable guidelines, the evaluation of independent directors shall be done by the entire Board of directors.

The Independent directors of the listed entity shall hold at least one meeting in a financial year, without the presence of non-independent directors and members of the management to review the matters as required under SEBI (LODR) Regulations, 2015.

(b) **Performance Evaluation of Independent Directors/Non Executive Directors:**

Regulation 17(10) of SEBI LODR Regulations 2015 mandates that entire board of directors shall do the performance evaluation of independent directors, provided that in the evaluation process, the directors who are subject to evaluation shall not participate.

The indicative criteria for evaluation of independent directors as per Master circular for compliance with the provisions of the SEBI (LODR) Regulations, 2015 vide SEBI/HO/CFD/PoD2/CIR/P/0155 dated 11.11.2024 is mentioned in Annexure II of the policy.

(c) **Performance Evaluation of the Board:**

Regulation 25(3) provides that the independent directors of the listed entity shall hold at least one meeting in a year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting. Regulation 25(4) provides that the independent directors in the meeting referred in sub-regulation (3) shall, inter alia- review the performance of non-independent directors and the board of directors as a whole.

The Board of Directors shall conduct an annual evaluation of its performance after the end of financial year. The evaluation process will assess the effectiveness of the Board's governance, decision-making, strategic oversight, and its compliance with legal, ethical, and regulatory obligations. The evaluation shall be based on a structured process and will consider factors such as Board composition, leadership, communication, and the quality of discussions and decision-making based on six themes namely:

1. Structure of the Board
2. Meetings of the Board
3. Functions of the Board
4. Board & Management

5. Professional Development

The detailed criteria for evaluation is as mentioned in Annexure II.

Further, Department of Financial Services (DFS) vide notification no. eF.no.14/1/2025-BO.I dated 11th September, 2025 has advised to undertake evaluation of Bank's Board and its directors annually by engaging credible external agencies and submit the same to DFS. It is also advised to disclose the evaluation details in the Bank's Annual Report , website etc.

Feedback

Providing feedback to the individual directors, the Board and the Committees is crucial for success of Board Evaluation. On collation of all the responses, the feedback may be provided in one or more of the following ways:

a. Orally given by Chairman/ external assessor or any other suitable person to
i. Each Member separately
ii. To the entire Board
iii. To the Committees
b. A written assessment to every member, Board and Committee

On the basis of feedback, the Board may prepare an action plan for improvement.

Disclosure requirements

The LODR Regulations requires disclosure of manner of formal annual evaluation of the Board, its committees, and individual directors and of performance evaluation criteria for independent directors to the shareholders on an annual basis.

Frequency of Evaluation

As per SEBI LODR, the Board Evaluation is required to be done once a year. Such evaluation to be carried out within a period of three months from the end of financial year.

4.27 Directors and Officers Liability Insurance

The Bank has secured a Directors and Officers Liability Insurance Policy with a total coverage of Rs 100.00 Cr. The detailed inclusions and exclusions of the policy are available in the policy document.

4.28 Process to appoint shareholder director:

In terms of Section 9(3) (i) of The Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, the Shareholder Directors shall have to be appointed depending upon the extent of capital issued under clause (c) of subsection (2B) of Section 3 of the Act

The relevant Sections of The Banking Regulations Act, 1949, The Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, the Nationalized Banks (Management & Miscellaneous Provisions) Scheme, 1970 and the relevant regulations of Bank of Maharashtra (Shares and Meetings) Regulations, 2004 and is subject to the regulations and guidelines issued by the Reserve Bank of India (RBI) and the Government of India.

The candidate must satisfy the criteria laid out by the RBI under its "Fit and Proper" guidelines for elected directors of public sector banks. This includes considerations like professional qualifications, experience and integrity. The candidate must not have any disqualification under the Banking Regulation Act, such as being a director of more than one bank, being involved in defaulted loans, or having any conflict of interest.

Interested candidates must submit their nomination, which include details such as shareholding, consent to act as a director, and a declaration that they meet the eligibility criteria. The nomination and remuneration committee of the bank shall review all nominations to ensure that candidates meet the eligibility criteria and "Fit and Proper" guidelines by the RBI. The shareholder director shall be elected during the bank's Annual General Meeting/ Extraordinary General Meeting. The candidate who secures the highest number of votes will be appointed as the shareholder director.

The detailed guidelines in this respect are mentioned in Annexure III

5 Investor Relations:

Maintaining good and co-ordinal relationship with Investors, through transparency in operation by means of an efficient and timely communication of accurate information, is considered to be of utmost essence with existing and prospective investors.

5.1 Grievance Redressal Mechanism:

In order to redress the grievances and to provide prompt and expeditious service to the shareholders, a separate department viz. Investor Services Department shall be set up at the Head Office of the Bank. The Department shall serve as a contact point for shareholders on issues such as share transfers, dividends and other matters relating to the shares issued by the Bank. The Department shall endeavor to redress the grievance of the shareholders at the earliest opportunity. Towards this end in view, the Department shall work in close co-ordination with the Registrar and Share Transfer Agent.

5.2 General Meeting of shareholders of Bank:

Bank conducts Annual General Meeting (AGM) / Extraordinary General Meeting of Shareholders of Bank/ Postal Ballot, within statutory time limit stipulated from time to time in compliance with the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970/ SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Bank of Maharashtra (Shares and Meetings) Regulations, 2004.

As part of the Green initiative in Corporate Governance, the Bank shall send all periodic communications and documents such as Notices of Annual General Meetings and other General Meetings, explanatory statements thereto, Annual Reports, Balance sheets, Directors' Reports, Auditors' Reports, Half yearly results and other day to day Shareholder communications to the email address registered by the shareholders with the Bank/ Depository Participant.

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5.3 Disclosure of Information to Stock Exchanges:

Compliance Officer - Company Secretary or in his/her absence, Deputy Company Secretary, shall be the "Compliance Officer" for dissemination of the information to the Stock Exchanges.

As per Bank's policy on "Determination of Materiality of events or information and its disclosure", the following information is required to be Reported / Disclosure of Price Sensitive Information to the Stock Exchanges on an ongoing basis:

- Intimation of the Board meetings for considering the financial results, declaration of dividends, etc.,
- Disclosure of Price Sensitive Information, if any.
- Filing of Shareholding pattern, Corporate Governance Report etc., within the stipulated time.
- Intimation about Notice for the Book Closures / Record Date.
- Intimation about the changes in the Bank's Board / Senior Management.
- Disclosure of Revision in Rating(s).
- Other material events as mentioned in SEBI Listing Regulations, 2015.
- Other Certifications to be submitted under SEBI Listing Regulations, 2015.

5.4 Prevention of Insider Trading:

Insider trading means trading in the shares of the Bank by persons who are in possession of undisclosed price sensitive information regarding the working of the Bank, and which is not available to others. Such trading, as it involves misuse of confidential information, is unethical tantamounting to betrayal of fiduciary position of trust and confidence. In order to prevent and curb the insider trading in securities, the SEBI has issued necessary guidelines.

The Bank endeavors to curb the insider trading by its personnel, who are privy to certain price sensitive information viz. financial Results, intended declaration of Dividend, Further Issues etc. Key Personnel, who are associated with these activities, shall refrain from purchasing or selling securities of the Bank during this relevant period, nor do they communicate such information to any other person. The Bank has put in place a code on Prevention of Insider Trading as per SEBI guidelines. Bank shall close trading window for dealing in shares of Bank from to time.

6 Financial Disclosures and Controls:

6.1 Timely Reporting of Financial Results:

The Financial results shall be furnished to the Stock Exchanges within 30 minutes or 3 hours, as the case may be as per SEBI (LODR) Regulations 2015, of closure of the Board Meeting where the Board takes the results on record in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Financial Results of the Bank are also published in major financial newspaper on quarterly basis, within 48 hours of taking on record the financial results by the Board. Further, the financial results are also put on the website of the Bank www.bankofmaharashtra.bank.in.

The Financial Results of the Bank shall be submitted to the stock exchanges on quarterly basis as per statutory requirements. The Financial results (subject to Limited Review by Auditors) for the quarters ending 30th June, 30th September and 31st December would be published within 45 days from the end of the relevant quarter. The Financial Results of the last quarter viz. 31st March would be published within 60 days.

Financial Results, Shareholding Pattern, Directors' Report, Corporate Governance Report, Management Discussion and Analysis and other information as per the instruction of SEBI shall be disseminated to the Shareholders and Investors, by electronically filing the information on the website of Stock exchanges i.e. BSE and NSE and also upload on the website of the Bank.

The Bank shall conduct Analysts/ Institutional meets. Institutional investors shall be encouraged to have a regular, systematic contact at senior executive level to exchange views and information on strategy, performance, board membership and quality of management. To have a fair play and for the benefit of other small Shareholders, the regular briefings made to the institutional shareholders would also be released in the press and also upload on the website of the Bank.

6.2 Transparency and Disclosures Standards:

There are several systems and procedures to disseminate relevant information to the stakeholders, including shareholders, analysts, suppliers, customers, employees and the society at large. The primary source of information is Bank's website www.bankofmaharashtra.bank.in. All official news releases and presentations made to investors and analysts are posted on the website of Bank.

a. The Bank shall make timely and correct disclosures, follows consistency in transparency and qualitative analysis of performance aimed at investors' protection, prudential regulations, customers and employee satisfaction and satisfaction of the public at large. Bank shall make the disclosures strictly in accordance with the guidelines of RBI and as stipulated in the Listing Regulation executed with the Stock Exchanges and also as per the guidelines and instructions received from the statutory/ regulatory authorities from time to time. Bank shall also use its dedicated website for posting the disclosures to the extent feasible.

b. The Bank shall also endeavor to meet the international disclosure standards.

c. The accounting policies and principles shall conform to the standard practices and where they do not, full disclosure would be made of material departures. All applicable Accounting Standard issued by the Institute of Chartered Accountants of India as applicable to be Bank should be complied with.

d. Where in the preparation of financial statements, a treatment different from that prescribed in an Accounting Standard has been followed, the fact shall be disclosed in

the financial statements, together with the management's explanation as to why it believes such alternative treatment is more representative of the true and fair view of the underlying business transaction in the Corporate Governance Report.

e. The Bank will ensure timely and accurate disclosure on all material matters including the financial situation, performance, ownership, and governance of the Bank.

f. The Board of Directors have adopted the "Policy on Related Party Transactions, Intra Group Transactions and Exposure, Determination of Materiality of an Event or Information including its Disclosure and for Determining Material Subsidiaries" and it is communicated and being implemented across the Organization. Transactions with related parties shall be annexed to the financial statements of Bank for the financial year. Adequate care shall be taken to ensure that the potential conflicts of interest do not harm the interests of the Bank at large.

   The Bank shall comply with the requirements prescribed under the Listing Regulations and Accounting Standards with regard to the related party transactions. The Bank shall have a framework for undertaking transactions with related parties. Further, all related party transactions shall be approved by the Audit Committee / Board, as may be applicable wherever required under the Listing Regulations and depending on nature of the transaction, the approval of Shareholders shall also be obtained.

   All pecuniary relationship or transactions or shareholding including convertible instrument of the Non-Executive Directors of the Bank in relation to the Bank shall be disclosed in the Annual Report.

g. Disclosures in the Annual report - The Bank shall, *interalia,* disclose the following in its annual report:

   i. Number of meetings held of the Board of Directors and the Committees mandated under the guidelines, in the Financial year.

   ii. Details of the Composition of the Board of Directors and the Committees mandated, setting out name, qualification, field of specialization, status of Directorship held etc.;

   iii. Number of meetings attended by the Directors and the members of the Committee;

   iv. Details of the remuneration / sitting fees paid, if any paid to the Directors;

   v. Secretarial Audit Report : In terms of Regulation 24A of SEBI (LODR) Regulation, 2015 (amended on from time to time), every listed entity shall undertake secretarial audit and shall annex with its Annual Report, a secretarial audit report, given by a company secretary in practice.

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vi. Such other matters as prescribed under the Listing Regulations and other applicable Regulations.

h. Corporate Governance Certification - The Bank shall obtain a certificate from the Auditors of the Bank or Company Secretary in Practice regarding compliance of conditions of corporate governance as stipulated by SEBI and annex the certificate with the Directors' Report, which is sent annually to all the shareholders of the Bank. The same certificate shall also be sent to the Stock Exchanges along with the Annual Reports submitted by the Bank.

i. CEO / CFO Certification – A Certificate from Managing Director & CEO and CFO of the Bank, submitted to the Board and be attached to the Annual Report of the Bank.

6.3 Conforming to GAAP & Disclosure Policies:

The Bank shall endeavor to conform to the Generally Accepted Accounting Practices (GAAP) and Disclosure Policies. Further, the Bank also endeavor to align with the International Financial Reporting Standard (IFRS) or other accounting standard as applicable, in line with the regulatory guidelines to ensure highest accounting standard and enhanced disclosures.
Bank is committed to adopt the best practices to achieve global standards and enhance the reputation.

6.4 <u>Policies of the Bank:</u>

Bank has put in place various policies, which are approved by the Board. Bank shall conduct its operations/activities within the parameters laid down under these policies.
All the policies shall be placed before the Board for review.

6.5 <u>Effectiveness of the system of Internal Financial Control:</u>

The adequacy of internal control systems shall be reviewed by the Management. The Board has laid emphasis on adequate transparency and disclosure measures. Adequate risk management policies and measures are to be strictly adhered to. The bank shall take the help of Internal Auditors, Concurrent Auditors etc. to ensure the effectiveness of the system of Internal Financial control**.**

7. <u>Corporate Citizen</u>:

The Bank shall participate actively in community development programs. The Bank shall adopt fair and ethical business practices in all its dealings with the customers, Employees, investors, vendors, government and the society at large and to take Corporate Social Responsibility in an earnest and modest manner.

7.1 Active participation in community development programs with CSR.
7.2 Fair and ethical business practices.

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8. Validity and Ownership:

The policy is subject to the annual review by the management. It is the responsibility of the Board Section to place the policy before Board for annual review.

9. Conclusion:

To survive and attain sustainable growth levels in competitive business environment, good Corporate Governance practices must be effectively implemented and enforced preferably by self regulation and voluntary adoption of ethical code of business conduct and if necessary through relevant regulatory laws and rules framed by the Government or regulators such as RBI, SEBI etc. A Corporate Governance Policy should serve as an effective instrument to ensure greater accountability on the part of the Boards of Directors to the stakeholders. Bank of Maharashtra is committed to ensure highest level of corporate governance in its business dealings.

The Board of Bank shall review and amend this policy from time to time to ascertain its appropriateness in line with the guidelines of RBI/ Government of India/ SEBI.

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Annexure I

Committee Charter

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Audit Committee of the Board Charter

1. Committee Overview

Bank of Maharashtra (hereinafter referred to as the – "bank") has put in place an Audit Committee of the Board (hereinafter referred to as the – "Committee"), in accordance with the provisions of "Master Circular on Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board", dated April 26, 2021 by Reserve Bank of India (RBI) and Securities and Exchange Board of India "Listing Obligations and Disclosure Requirements Regulations,2015."

The purpose of this committee is to provide direction and oversee the operations of the audit, internal control functions, as well as to review the internal policies of the bank.

2. Composition & Meeting of Committee

2.1 Committee Composition

As per RBI Circular No. RBI/2021-22/24 DOR.Gov.REC.8/29.67.001/2021-22 dt 26.04.2021 on "Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board", the composition of the Committee should be as under:

Sr No.	Designation
1	Chairman – The chairman of the committee shall be an independent director who shall not chair any other committee of the Board.
2	Member – The committee shall be constituted with only Non-Executive Directors (NEDs) ie., a. Government Nominee Director b. RBI Nominee Director c. Directors appointed under sub section (g), (h) and (i) of Section (9)(3) of The Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970
3	Invitee – Executive Directors

Other guidelines:

- The Chair of the board shall not be a member of the ACB.
- At least two-thirds of the members of audit committee shall be independent directors.
- The meetings of the ACB shall be chaired by an Independent Director, who shall not chair any other committee of the Board.
- The Chair of the ACB shall not be a member of any committee of the board which has a mandate of sanctioning credit exposures.
- All members of the committee should have the ability to understand all financial statements as well as the notes/ reports attached thereto. At least one member shall have requisite professional expertise/ qualification in financial accounting or financial management.
- Pursuant to provisions of SEBI guidelines, the audit committee shall have minimum three directors as members. At least two-thirds of the members of audit committee shall be independent directors. The chairperson of the audit committee shall be an independent director and he she shall be present at Annual general meeting to answer shareholder queries.
- Pursuant to provisions of SEBI guidelines, the audit committee at its discretion shall invite the finance director or head of the finance function, head of internal audit and a representative

of the statutory auditor and any other such executives to be present at the meetings of the committee: Provided that occasionally the audit committee may meet without the presence of any executives of the Bank.

Pursuant to provisions of SEBI guidelines, the Company Secretary shall act as the secretary to the audit committee.

2.2 Meeting of Committee

- ❖ As per RBI guidelines the audit committee shall meet at least once in a quarter.
- ❖ As per the SEBI guidelines the audit committee shall meet at least 4 (four) times in a year not more than 120 (one hundred and twenty) days shall elapse between 2 (two) meetings.

Ad-hoc meetings may be held from time to time. The venue shall be notified to the attendees through post or electronic modes.

2.3 Quorum for the Meeting

- ❖ As per RBI guidelines, The ACB shall meet with a quorum of three members. At least two-thirds of the members attending the meeting of the ACB shall be independent directors.
- ❖ As per the SEBI guidelines, the quorum for audit committee meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.

3. Roles and Responsibilities, Terms of reference and Powers of the committee

The audit committee charter sets out the authority of the audit committee to carry out the responsibilities established for it by the board as articulated within the audit committee charter.

- The audit committee shall have powers to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary
- Create a framework of internal financial controls and compliance mechanisms to ensure timely recording of all transactions.
- The Committee shall approve and oversee the appointment, compensation, retention and oversight of the work of the independent auditor in preparing or issuing an audit report or performing other audit, review or attestation services for the Company.
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of the audit process.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Review the appointment, removal, performance, and terms of remuneration of the internal auditor.
- Review the regular internal reports to management prepared by the internal auditor, as well as management's response thereto.
- The Audit committee is also responsible for the review and modification of the internal audit policy post which the policy shall be placed before the board for ratification.
- The Committee shall review with senior management, the Company's overall anti-fraud programs and related controls.
- Review with the management and the internal auditors, the scope of internal audit, adequacy of internal control systems and ensure adherence thereto and any other related issues.

- The Committee shall review the risk management performance and all risk management matters and measures reported by the Risk Management Committee.
- The Committee shall review the Whistle Blower Policy and recommend changes to improve the vigilance mechanism. A quarterly report about the functioning of the Whistle Blower Mechanism and the investigation reports shall be placed before the Audit Committee.
- The Audit Committee shall ensure that the whistleblower has been provided adequate protection against any kind of discrimination, harassment, victimization or any other unfair employment practice.
- The audit committee may perform other activities related to this Charter as requested by the Board and as mentioned below:
- All relevant facts pertaining to a related party transaction shall be placed with the Audit Committee. The Audit Committee shall review the related party transaction policy and shall suggest amendments thereof.
- Approval of payment to and internal auditor for any other services rendered by the internal auditor
- The Audit Committee shall verify the compliance of the corporate governance code as a part of its regular compliance audits.
- The committee shall review an ageing analysis of entries pending reconciliation with outsourced vendors.
- Oversee financial reporting process, internal control systems, and statutory audits.
- Review and monitor internal audits, statutory auditor performance, and compliance with regulatory requirements.
- Ensure accuracy and compliance of financial statements.
- The Committee shall review the Compliance Function on a quarterly and annual basis, which includes issues of non-compliance / compliance failure, remedial action, specific steps taken to improve the level of compliance culture, adequate identification, and management of Compliance Risk.
- The committee shall ensure independence of Compliance Function in terms of ability to objectively assess and express its views on the systems and procedures, policies, practices, products of the Bank in relation to compliance.
- The committee shall be responsible for review of performance of Chief Compliance Officer and the Head of Internal Audit function

➢ As per SEBI guidelines:

A. The role of the audit committee shall include the following:
(1) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(2) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;

(3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

(a) matters required to be included in the director's responsibility statement to be included in the board's report

(b) changes, if any, in accounting policies and practices and reasons for the same;

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(c) major accounting entries involving estimates based on the exercise of judgment by management;
(d) significant adjustments made in the financial statements arising out of audit findings;
(e) compliance with listing and other legal requirements relating to financial statements;
(f) disclosure of any related party transactions;
(g) modified opinion(s) in the draft audit report

(5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;

(6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;

(7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(8) approval or any subsequent modification of transactions of the listed entity with related parties;

(9) scrutiny of inter-corporate loans and investments;

(10) valuation of undertakings or assets of the listed entity, wherever it is necessary;

(11) evaluation of internal financial controls and risk management systems;

(12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(14) discussion with internal auditors of any significant findings and follow up there on;

(15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

(16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(18) to review the functioning of the whistle blower mechanism;

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(19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

(20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

(21) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
(22) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

B. The audit committee shall mandatorily review the following information:
(1) management discussion and analysis of financial condition and results of operations;

(2) management letters / letters of internal control weaknesses issued by the statutory auditors;

(3) internal audit reports relating to internal control weaknesses; and

(4) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

(5) statement of deviations:

(a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

(b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

4. Regulations/ Guidelines/ Notifications

- RBI Circular No. RBI/2021-22/24 DOR.Gov.REC.8/29.67.001/2021-22 dt 26.04.2021
- Section 18 read with Part C of Schedule II of SEBI LODR Regulations, 2015

5. Review

The charter shall be reviewed and amended as and when necessitated due to change in any policy or regulation or other circumstances warranting a change in the charter post which it shall be placed before the board for approval.

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Risk Management Committee Charter

1. Committee Overview

Bank of Maharashtra (hereinafter referred to as the – "bank") has put in place a Risk Management Committee (hereinafter referred to as the – "Committee"), in accordance with the provisions of "Corporate Governance in Banks- Appointment of Directors and Constitution of Committees of the Board."

The purpose of this committee is to oversee and manage the organization's risk management framework, policies, and practices.

2. Composition & Meeting of Committee

2.1 Committee Composition

As per RBI Circular No. RBI/2021-22/24 DOR.Gov.REC.8/29.67.001/2021-22 dt 26.04.2021 on "Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board", the composition of the Committee should be as under:

Sr No.	Designation
1	Chairman – The chairman of the committee shall be an independent director who shall not chair the Board or any other committee of the Board.
2	Member – The committee shall be constituted with a majority of Non-Executive Directors (NEDs) ie., a. Government Nominee Director b. RBI Nominee Director c. Directors appointed under sub section (g), (h) and (i) of Section (9)(3) of The Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970
3	Invitee – MD & CEO

Other guidelines:

- The Chair of the board may be a member of the RMCB only if he/she has the requisite risk management expertise.
- Pursuant to the provisions of SEBI guidelines, the Risk Management Committee shall have minimum three members with majority of them being members of the board of directors, including at least one independent director.

Secretary: The Board Secretary of the Bank shall act as the Secretary to the Committee. The minutes of the meeting shall also be documented by the Secretary.

2.2 Meeting of Committee

- Pursuant to the provisions of RBI guidelines, RMCB shall meet at least once in each quarter.

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- ❖ Pursuant to the provisions of SEBI guidelines, risk management committee shall meet at least twice in a year. The meetings of the risk management committee shall be conducted in such a manner that on a continuous basis not more than two hundred and ten days shall elapse between any two consecutive meetings.

2.3 Quorum for the Meeting

- ❖ Pursuant to the provisions of RBI guidelines, the RMCB shall meet with a quorum of three members. At least half of the members attending the meeting of the RMCB shall be independent directors of which at least one member shall have professional expertise/ qualification in risk management.
- ❖ Pursuant to the provisions of SEBI guidelines, the quorum for a meeting of the Risk Management Committee shall be either two members or one third of the members of the committee, whichever is higher, including at least one member of the board of directors in attendance.

3. Roles and Responsibilities, Terms of reference and Powers of the committee

1. To supervise the functions of Risk in the Bank. It is responsible for identifying, evaluating and monitoring the overall risks faced by the Bank.
2. To review & recommend the Risk related policies to the Board on a yearly basis before the same is placed to Board for approval as per the broad categorization approved by the Board.
3. Institutionalise Risk Appetite Framework for a structured approach to manage, measure and control risk, consisting of-
   (i) Risk Appetite Statement and Risk Limits for the Bank;
   (ii) Policies, Processes, Controls and Systems for both Material and Reputational Risks; and
   (iii) Delineation of roles and responsibilities for overseeing implementation and monitoring.
4. Review of overall market, credit, operational, regulatory, financial soundness and strategic & business model risk exposures of the Bank with reference to the limits and metrics in terms of Policy of the Bank.
5. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
6. To oversee all risk management activities of the Bank including identifying underlying risks perceptions, prescribing risk assessment and quantification methodologies, fixing tolerance level for risk exposures, guiding the line management on risk management and mitigation techniques.
7. The Committee also examines policy guidelines and studies various risks including credit, market operational etc and suggest measures to instigate the risks.
8. Review the status of red flagged accounts, including the EWS alerts/ triggers, remedial actions initiated by the Bank etc. at periodic intervals.
9. A framework for identification of internal and external risks specifically faced by the listed entity, including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
10. Review of the Internal Capital Adequacy Assessment Process (ICAAP) of the Bank.
11. Such other functions as it may deem fit including cyber security, as delegated by the Board.

- As per SEBI LODR Regulations, 2015:

(1) To formulate a detailed risk management policy which shall include:

(a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

(b) Measures for risk mitigation including systems and processes for internal control of identified risks.

(c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

4. Regulations/ Guidelines/ Notifications

- RBI Circular No. RBI/2021—24 DOR.Gov.REC.8/29.67.001/2021-22 dt 26.04.2021
- Section 21 read with Part D of Schedule II of SEBI LODR Regulations, 2015

5. Review

The charter shall be reviewed and amended as and when necessitated due to change in any policy or regulation or other circumstances warranting a change in the charter post which it shall be placed before the board for approval.

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Customer Service Committee Charter

1. Committee Overview

Bank of Maharashtra (hereinafter referred to as the – "bank") has put in place a customer service Committee (hereinafter referred to as the – "Committee"), in accordance with the provisions of "Master Circular on Customer Service in Banks", dated July 01, 2015.

The Customer Service Committee of the Board should include experts and representatives of customers as invitees to enable the bank to formulate policies and assess the compliance thereof internally with a view to strengthening the corporate governance structure in the banking system and also to bring about ongoing improvements in the quality of customer service provided by the banks.

The purpose of this committee is to assist in providing better customer service and to perform a periodic study of their systems and their impact on customer service.

2. Composition & Meeting of Committee

2.1 Committee Composition

As per RBI Master Circular on Customer Service in Banks vide RBI/2015-16/59 DBR No.Leg.BC.21/09.07.006/2015-16 dated July 01, 2015, the composition of the Committee should be as under:

S.no	Designation
1	Chairman – MD & CEO
2	Member - Executive Directors
3	Member – Independent Director/ Non- Officials
4	Invitee – Experts & Representatives of customers

Secretary: The Board Secretary of the Bank shall act as the Secretary to the Committee. The minutes of the meeting shall also be documented by the Secretary.

2.2 Meeting of Committee

The Committee shall meet at least once in a quarter that is 4 (four) times in a year. Ad-hoc meetings may be held from time to time. The venue shall be notified to the attendees through post or electronic modes.
The committee at its discretion, may invite representatives from different departments or experts, as considered necessary, to be present at the meetings of the committee.

2.3 Quorum for the Meeting and other operational principles

The quorum for Committee meeting shall be 2 (two) members to review customer complaints, regulatory mandates, and policy decisions to review Banks performance on initiatives to enhance customer experience. The meeting can be attended either in person or through video conferencing or other audio-visual means, as may be prescribed, which are capable of recording and recognising

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the participation of the directors and of recording and storing the proceedings of such meetings along with date and time.
The committee chairperson shall approve the agenda for the committee's meetings and briefing materials will be provided to the committee as far in advance of meetings as practicable.
Minutes will be prepared in accordance with applicable law, regulation, bylaw, policy, procedure, and/or other applicable requirements. Meeting minutes will be provided in draft format after the committee meeting. Directors' comments and approval will be provided prior to finalization of minutes.

3. Roles and Responsibilities, Terms of Reference and Powers of the Committee

The committee charter sets out the authority of the committee to carry out the responsibilities established for it by the board.

- Assess the compliance with a view to strengthening the corporate governance structure in the banking system and also to bring about ongoing improvements in the quality of customer service provided by the banks.
- /Review /formation of a Comprehensive Deposit Policy and Customer Service Policy procedures, and standards to ensure alignment with regulatory requirements, industry best practices, and the bank's objectives.
- This Committee would review the functioning of Standing Committee on Customer Service and oversees the effectiveness of the grievance redressal mechanism of the Bank and also to bring about ongoing improvement in the quality of customer service
- The committee would review the minutes of Root Cause analysis and accordingly advise the concerned verticals to resolve the root causes for arresting recurrence of complaints.
- Address issues such as the treatment of death of a depositor for operations of his /her account
- Review and suggest improvements to the product approval process with a view to suitability and appropriateness.
- Conduct and examine the annual survey of depositor satisfaction.
- Review customer service / customer care aspects in the bank and submit a detailed memorandum in this regard to the Board of Directors, once every six months and initiate prompt corrective action wherever service quality / skill gaps have been noticed.
- Evaluate and recommend technology solutions to enhance the efficiency and effectiveness of customer service operations, such as customer relationship management (CRM) systems, chatbots, and self-service portals.
- Collaborate with other departments, such as marketing, operations, IT, and risk management, to align customer service initiatives with overall business objectives.
- Monitoring the implementation of awards under the Banking Ombudsman Scheme
- The Committee should also play a more pro-active role with regard to complaints/ grievances resolved by Banking Ombudsmen of the various States.
- the Committee shall examine any other issues having a bearing on the quality of customer service rendered Further, with a view to enhancing the effectiveness of the Customer Service Committee, banks should also:
  a) Place all the awards given by the Banking Ombudsman before the Customer Service Committee to enable them to address issues of systemic deficiencies existing in banks, if any, brought out by the awards; and
  b) Place all the awards remaining unimplemented for more than three months with the reasons therefor before the Customer Service Committee to enable the Customer Service Committee to report to the Board such delays in implementation without valid reasons and for initiating necessary remedial action.

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- Matters relating to customer service should be deliberated by the Board to ensure that the instructions are implemented meaningfully. Commitment to hassle-free service to the customer at large and the Common Person under the oversight of the Board should be the major responsibility of the Board.

4. Regulations/ Guidelines/ Notifications

- Master Circular on Customer Service in Banks vide RBI/2015-16/59 DBR No.Leg.BC.21/09.07.006/2015-16 dated July 01, 2015

5. Review

The charter shall be reviewed and amended as and when necessitated due to change in any policy or regulation or other circumstances warranting a change in the charter post which it shall be placed before the board for approval.

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Committee of Board for Monitoring NPA Recovery Charter

1. Purpose

Bank of Maharashtra (hereinafter referred to as the – "bank") has put in place a Committee of Board for Monitoring NPA Recovery (hereinafter referred to as the – "Committee").

The committee reviews and monitors NPA recovery in the Bank, provides oversight on collection system and recovery of loans & advances and monitors recovery performance in large value NPA Accounts.

2. Composition & Meeting of Committee

2.1 Committee Composition

As per DFS communication No. F.No. 7/112/2012-BOA dated 21.11.2012, the composition of the Committee should be as under:

S.no	Designation
1	Chairman – MD & CEO
2	Member – Executive Directors
3	Member - GOI Nominee Director

Secretary: The Board Secretary of the Bank shall act as the Secretary to the Committee. The minutes of the meeting shall also be documented by the Secretary.

2.2 Meeting of Committee

The Committee shall meet at least once in a quarter that is 4 (four) times in a year. Ad-hoc meetings may be held from time to time. The venue shall be notified to the attendees through post or electronic modes.

The committee at its discretion, may invite representatives from different departments or experts, as considered necessary, to be present at the meetings of the committee.

2.3 Quorum for the Meeting and other operational principles

The quorum for Committee meeting shall be 2 (two) members.

3. Roles and Responsibilities, Terms of reference and Powers of the committee

The committee charter sets out the authority of the committee to carry out the responsibilities established for it by the board.

- To monitor the strategies of the Recovery Department for reduction in NPA & maintaining the NPA ratios and to guide them in a timely manner in line with banks objectives.
- To monitor Progress of Top 20 NCLT, Top 20 DRT and Top 50 non NCLT accounts.
- To monitor progress of Wilful Default exercise.

- To monitor legal actions taken by bank.
- Monitor Recovery of Non-Performing Assets (NPAs) and action plan for resolving bad loans and to guide accordingly to meet the objective of the bank.

4. Regulations/ Guidelines/ Notifications:

- Government of India (GOI), Ministry of Finance, Department of Financial Services GOI vide their communication No.F.No. 7/112/2012-BOA dated 21.11.2012
- GOI,MOF,DFS Lr.No. F.No.7/2/2015-Recovery dated 01.01.2016

5. Review

The charter shall be reviewed and amended as and when necessitated due to change in any policy or regulation or other circumstances warranting a change in the charter post which it shall be placed before the board for approval.

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Committee for Considering Appeals and Reviews Charter

1. Committee Overview

Bank of Maharashtra (hereinafter referred to as the – "bank") has put in place a Committee for Considering Appeals and Reviews (hereinafter referred to as the – "Committee").

The purpose of this committee is to review of vigilance/non-vigilance disciplinary cases and departmental enquiries in line with guidelines of Government of India.

2. Composition & Meeting of Committee

2.1 Committee Composition

As per Board Resolution passed vide meeting dated 17th March 2016, the constitution of the Committee should be as under:

S.no	Designation
1	Chairman – Shareholder Director
2	Member - GOI Nominee Director
3	Member - Independent Director

Secretary: The Board Secretary of the Bank shall act as the Secretary to the Committee. The minutes of the meeting shall also be documented by the Secretary.

2.2 Meeting of Committee

The Committee shall meet as and when required. The committee at its discretion, may invite representatives from different departments or experts, as considered necessary, to be present at the meetings of the committee.

2.3 Quorum for the Meeting

The quorum for Committee meeting shall be 2 (two) members.

3. Roles and Responsibilities, Terms of reference and Powers of the committee

The committee charter sets out the authority of the committee to carry out the responsibilities established for it by the board.

- Assess and review appeals submitted by officers/employees.
- Ensure that every appeal is evaluated fairly after considering all relevant information and factors.
- Provide judgement based on the evidence presented and in accordance with established standards.
- Maintain transparency in the appeal process by providing clear communication to appellants about the status and outcome of their appeals.

4. Regulations/ Guidelines/ Notifications:

- Bank of Maharashtra Officer Employees (Discipline & Appeal) Regulations, 1976
- Board Resolution passed vide meeting dated 17th March, 2016 for Constitution of the Committee of Board as Appellate Authority/Reviewing Authority in Disciplinary Action cases

5. Review

The charter shall be reviewed and amended as and when necessitated due to change in any policy or regulation or other circumstances warranting a change in the charter post which it shall be placed before the board for approval.

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Credit Approval Committee Charter

1. Committee Overview

Bank of Maharashtra (hereinafter referred to as the – "bank") has put in place a Credit Approval Committee (hereinafter referred to as the – "Committee"), in accordance with the provisions of "Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970."

The purpose of this committee is to consider the credit and loan compromise/write off proposals as delegated by the Board/GOI guidelines.

2. Composition & Meeting of Committee

2.1 Committee Composition

As per the Section 13A of the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970, the composition of the Committee should be as under:

S.no	Designation
1	Chairman – MD & CEO
2	Member – Executive Directors
3	Member – Chief General Manager / General Manager, FM & A
4	Member – Chief General Manager / General Manager, IRM / CRO
5	Member – Chief General Manager / General Manager, Credit

Secretary: The Board Secretary of the Bank shall act as the Secretary to the Committee. The minutes of the meeting shall also be documented by the Secretary.

2.2 Meeting of Committee

The Committee shall meet as and when required. The committee at its discretion, may invite representatives from different departments or experts, as considered necessary, to be present at the meetings of the committee.

2.3 Quorum for the Meeting

The quorum for Committee meeting shall be 3 (three) members. MD & CEO and one ED's presence is mandatory.

3. Roles and Responsibilities, Terms of reference and Powers of the committee

The committee charter sets out the authority of the committee to carry out the responsibilities established for it by the board.

- Review credit and loan compromise requests submitted by relevant stakeholders to the committee.
- Sanction the loan applications that fall within the committee's delegated authority.

- Ensure adherence to internal policies, guidelines, and regulatory requirements governing credit compromise/write-off activities.
- Ensuring that all credit decisions align with the bank's lending policies, regulatory requirements, and risk appetite.

4. Regulations/ Guidelines/ Notifications

- Section 13A of Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970

5. Review

The charter shall be reviewed and amended as and when necessitated due to change in any policy or regulation or other circumstances warranting a change in the charter post which it shall be placed before the board for approval.

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IT Strategy Committee Charter

1. Committee Overview

Bank of Maharashtra (hereinafter referred to as the – "bank") has put in place IT Strategy Committee (hereinafter referred to as the – "Committee").

The IT Strategy Committee of the Board is constituted to deal with all aspects of IT Governance including choosing the right IT strategy and monitoring implementation of all strategic IT plans.

2. Composition & Meeting of Committee

2.1 Committee Composition

As per Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices issued by RBI vide circular no. RBI/2023-24/107 DoS.CO.CSITEG/SEC.7/31.01.015/2023-24 dated November 7, 2023, the composition of the Committee should be as under :

S.no	Designation
1	Chairman – Shareholder/ Independent Director
2	Member- MD & CEO
3	Member – Executive Directors
4	Member-GOI Nominee Director
5	Outside Experts

Note : As per RBI guidelines, minimum three directors should be members of the Committee.

Secretary: The Board Secretary of the Bank shall act as the Secretary to the Committee. The minutes of the meeting shall also be documented by the Secretary.

- Pursuant to the provisions of RBI guidelines, Chairman shall be an independent director and have substantial IT expertise in managing/ guiding information technology initiatives. Where "Substantial IT expertise" means the person has a minimum of seven years of experience in managing information systems and/or leading/ guiding technology/ cybersecurity initiatives/ projects. Such a member should also understand the business processes at a broader level and the impact of IT on such processes.
- Pursuant to the provisions of RBI guidelines, Members should be technically competent, where technically competent mean the ability to understand and evaluate information systems and associated IT/ cyber risks.

2.2 Meeting of Committee

The Committee shall meet at least once in a quarter that is 4 (four) times in a year. Ad-hoc meetings may be held from time to time. The venue shall be notified to the attendees through post or electronic modes.

The committee at its discretion, may invite representatives from different departments or experts, as considered necessary, to be present at the meetings of the committee.

2.3 Quorum for the Meeting

The quorum for Committee meeting shall be 3 (three) members and 1 (one) IT expert.

3. Roles and Responsibilities, Terms of reference and Powers of the committee

The committee charter sets out the authority of the committee to carry out the responsibilities established for it by the board.

- To perform oversight functions over the IT Steering Committee.
- To drive IT strategy and ensuring IT organizational structure to complement the business model
- To oversee alignment of IT strategy with business strategy and objectives of the Bank
- To assess senior management's performance in implementing IT strategies
- To evaluate IT risks and controls and set the risk appetites
- To discuss the gap analysis of IT skills and resource augmentation
- To monitor the IT Strategy document plan, Annual IT Plan & Budget and achievements etc.
- To perform oversight functions over compliance submitted for advisory issued by regulatory authorities
- To perform oversight functions over critical incidents reported
- Review the IT policy document and to oversee that it addresses the strategic requirements of the Bank before approval by Board
- Have oversight on the Business Continuity Planning (BCP) and Disaster Recovery (DR) policy of the Bank
- Oversight on the Data Protection, Data Security and Cyber Security readiness and resilience of the Bank.
- Assist the board in Finalizing IT Budget of the Bank and review of its utility.
- Evaluation and approval of Broad Contours as well as approach including Single Source Selection (SSS)/ onboarding on nomination basis on behalf of the Board in case of major IT procurements in the Bank.
- Have oversight on the progress of ongoing Technology Projects in the Bank and future initiatives
- Periodical Evaluation of IT Infrastructure and Digital Channels of the Bank and its resilience,
- Periodical progress review of Bank's various Deptt viz IT, Digital Banking, Digital Lending, Data Protection & MIS, Digital Banking Zone etc.
- Critical incidents related to IT Infrastructure and its Root Causes Analysis (RCA)
- Oversight on Technology and Security Audits including IT Examination from RBI / other regulatory bodies.
- Oversight mechanisms to ensure accountability and mitigation of IT and cyber/ information security risks.
- To ensure IT/ IS and their support infrastructure are functioning effectively and efficiently
- To oversee implementation of IT Roadmap for next three years

As per RBI Guidelines:

- Satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the organization.

- Ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the RE's IT maturity, digital depth, threat environment and industry standards and are utilized in a manner intended for meeting the stated objectives.
- Review the assessment of IT capacity requirements and measures taken to address the issues.
- Consult the Risk Management Committee of the Board (RMCB) for periodic review and update the risk management policy which shall include IT related risks, including the Cyber Security related risks the same at least on a yearly basis.
- ITSC shall have an oversight on Information Security Committee (ISC), formed for managing cyber/ information security.

4. Regulations/Guidelines/Notifications

- Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices RBI/DoS/2023-24/107 DoS.CO.CSITEG/SEC.7/31.01.015/2023-24 dated November 7, 2023

5. Review

The charter shall be reviewed and amended as and when necessitated due to change in any policy or regulation or other circumstances warranting a change in the charter post which it shall be placed before the board for approval.

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Financial Inclusion Committee Charter

1. Committee Overview

Bank of Maharashtra (hereinafter referred to as the – "bank") has put in place a Financial Inclusion committee (hereinafter referred to as the – "Committee"), to monitor and review the progress of financial inclusion schemes of the Government of India and regulatory guidelines.
The Committee is tasked with ensuring that banking services are accessible to all segments of society, including underserved and marginalized communities. The purpose of this committee is to assist in developing strategies and creating initiatives for better financial inclusion.

2. Composition & Meeting of Committee

2.1 Committee Composition

As per Board Resolution passed vide meeting dated 28.02.2017, the composition of the Committee should be as under:

S.no	Designation
1	Chairman – Executive Director
2	Member – Executive Director
3	Member - Government Nominee Director
4	Member - Shareholder Director
5	Invitee – CGM/ GM, Financial Inclusion

Note : The Committee shall comprise of Executive Director, incharge of financial inclusion, two board members.

Secretary: The Board Secretary of the Bank shall act as the Secretary to the Committee. The minutes of the meeting shall also be documented by the Secretary.

2.2 Meeting of Committee

The Committee shall meet at least once in a quarter that is 4 (four) times in a year. Ad-hoc meetings may be held from time to time. The venue shall be notified to the attendees through post or electronic modes.

The committee at its discretion, may invite representatives from different departments or experts, as considered necessary, to be present at the meetings of the committee.

2.3 Quorum for the Meeting

The quorum for Committee meeting shall be 2 (two) members.

3. Roles and Responsibilities, Terms of Reference and Powers of the committee

Restricted

The committee charter sets out the authority of the committee to carry out the responsibilities established for it by the board.

- Develop and review policies, strategies, and action plans related to financial inclusion initiatives.
- Ensure alignment with regulatory requirements, government mandates, and industry best practices.
- Identify opportunities to design and offer financial products and banking services that meet the needs of underserved populations, such as savings bank accounts & life risk cover like PMJJBY / PMSBY / APY / RuPay card insurance.
- Collaborate with product teams to develop innovative and inclusive financial products tailored to specific customer segments.
- Evaluate the bank's branch network and distribution channels to ensure adequate coverage in rural and remote areas.
- Identify opportunities to establish banking correspondents to reach unbanked populations.
- Develop educational programs and campaigns to promote financial literacy and awareness among underserved communities.
- Conduct workshops, seminars, and community outreach activities to empower customers with financial knowledge and skills.
- Leverage technology solutions, such as mobile banking, digital wallets, and biometric authentication, to enhance access to banking services in remote areas.
- Partner with fintech companies and technology providers to develop and deploy innovative solutions for financial inclusion.
- Forge partnerships with government agencies, non-governmental organizations (NGOs), community-based organizations, and microfinance institutions to support financial inclusion initiatives.
- Collect and analyse data on the reach, impact, and effectiveness of financial inclusion initiatives.
- Monitor changes in regulatory guidelines and policies affecting financial inclusion and ensure timely implementation.
- Conduct periodic evaluations and impact assessments of financial inclusion programs to measure their effectiveness and identify areas for improvement.
- Use data-driven insights to refine strategies, allocate resources efficiently, and maximize social and economic impact.

4. Regulations/Guidelines/Notifications:

- Constituted as per Board Directives dated 28/02/2017
- MOF DFS Letter No F.No.9/22/2012 – FI(Vol II)(C-54005) dated 20.02.2019

5. Review

The charter shall be reviewed and amended as and when necessitated due to change in any policy or regulation or other circumstances warranting a change in the charter post which it shall be placed before the board for approval.

Restricted

Directors Promotion Committee Charter

1. Committee Overview

Bank of Maharashtra (hereinafter referred to as the – "bank") has put in place a Director Promotion Committee of Board (hereinafter referred to as the – "Committee"), in accordance with the guidelines issued by the Government of India.

The committee deals with the promotions at senior levels and review of vigilance disciplinary cases and departmental queries.

2. Composition & Meeting of Committee

2.1 Committee Composition

As per DFS communication no. 10/12/90/VIG/CVOS dated 24.10.1990, the Composition of the Committee should be as under:

S.no	Designation
1	Chairman – MD & CEO
2	Member – Executive Directors
3	Member – GoI Nominee director
4	Member – RBI Nominee Director

Secretary: The Board Secretary of the Bank shall act as the Secretary to the Committee. The minutes of the meeting shall also be documented by the Secretary.

2.2 Meeting of Committee

The Committee shall meet at least once in a quarter that is 4 (four) times in a year. Ad-hoc meetings may be held from time to time. The venue shall be notified to the attendees through post or electronic modes.

2.3 Quorum for the Meeting and other operational principles

The quorum for Committee meeting shall be 2 (two) members.

Restricted

3. Roles and Responsibilities, Terms of reference and Powers of the committee

The committee charter sets out the authority of the committee to carry out the responsibilities established for it by the board.

- The committee ensures that promotions at senior level are aligned with the organization's strategic direction and long-term goals.
- Make recommendations to the board on promotions based on performance evaluations.
- Align promotion policies with regulatory guidelines and internal governance.
- Review of Vigilance Cases & Departmental Inquiries.

4. Regulations/ Guidelines/ Notifications

- Ministry of Finance vide its letter no. 10/12/90/VIG/CVOS dated 24.10.1990

5. Review

The charter shall be reviewed and amended as and when necessitated due to change in any policy or regulation or other circumstances warranting a change in the charter post which it shall be placed before the board for approval.

Restricted

Review Committee for Declaration of Wilful Defaulters Charter

1. Committee Overview

Bank of Maharashtra (hereinafter referred to as the – "bank") has put in place a review committee for declaration of wilful defaulters (hereinafter referred to as the – "Committee"), pursuant to the RBI "Master Direction on Treatment of Wilful Defaulters and Large Defaulters" dated July 30, 2024 read with "Master Circular on 'Wilful Defaulters'" dated July 01, 2015.

The Committee is tasked with ensuring that a strong framework is put in place for identification of wilful defaulters and to systematically identify individuals or entities that have intentionally defaulted on their loan obligations despite having the financial capacity to repay, thereby posing a significant risk to the bank's financial health and stability.

2. Composition & Meeting of Committee

2.1 Committee Composition

As per RBI Master Direction on Treatment of Wilful Defaulters and Large Defaulters issued vide Circular no. RBI/DoR/2024-25/122 DoR.FIN.REC.No.31/20.16.003/2024-25 dated July 30, 2024, the composition of the Committee should be as under:

S.no	Designation
1	Chairman – MD & CEO
2	Member – Independent Director/ Non-Executive Director I
3	Member – Independent Director/ Non-Executive Director II

Note : As per RBI guidelines, minimum two Independent directors/ Non- Executive Directors or equivalent officials should be members of the Committee.

Secretary: The Board Secretary of the Bank shall act as the Secretary to the Committee. The minutes of the meeting shall also be documented by the Secretary.

2.2 Meeting of Committee

The Committee shall meet as and when required. The venue shall be notified to the attendees through post or electronic modes.

The committee at its discretion, may invite representatives from different departments or experts, as considered necessary, to be present at the meetings of the committee.

2.3 Quorum for the Meeting

The quorum for Committee meeting shall be 2 (two) members.

3. Roles and Responsibilities, Terms of reference and Powers of the committee

The committee's aim is to ensure that the bank is equipped to detect, prevent, and address issues with respect to wilful default effectively:

- To provide an opportunity for a personal hearing, if required, to the borrower/ guarantor/ promoter/ director/ persons who are in charge and responsible for the management of the affairs of the entity.
- To take decision about classification and declaration of borrower/ guarantor/ promoter/ director/ persons who are in charge and responsible for the management of the affairs of the entity after assessing the facts or material on record, including written representation, if any.
- To pass a reasoned order of classification and declaration after assessing the facts or material on record, including written representation, if any and to communicate the same to the wilful defaulter.
- To timely direct the Wilful Default cell and recovery department to develop and review policies, procedures, and guidelines related to prevention, detection, investigation, and reporting of wilful default while ensuring alignment with regulatory requirements and industry best practices.
- To Report confirmed or suspected cases of wilful defaults to the board of directors, regulatory authorities, and law enforcement agencies in accordance with regulatory requirements and internal policies.
- To Regularly review the effectiveness of wilful default procedure and suggest measures to make the same more effective., investigate control weaknesses and gaps identified through internal and external audits.
- To Periodically review cases to avoid wrongful classification.
- To monitor that Wilful Defaulter exercise is completed in the time bound manner as per regulatory guidelines.

4. Regulations/Guidelines/ Notifications:

- Master Direction on Treatment of Wilful Defaulters and Large Defaulters vide RBI/DoR/2024-25/122 DoR.FIN.REC.No.31/20.16.003/2024-25 dated July 30, 2024.
- Master Circular on Wilful Defaulters vide RBI/2015-16/100 DBR.No.CID.BC.22/20.16.003/2015-16 dated July 01, 2015.

5. Review

The charter shall be reviewed and amended as and when necessitated due to change in any policy or regulation or other circumstances warranting a change in the charter post which it shall be placed before the board for approval.

Restricted

Special Committee of the Board for Monitoring & Follow-up of cases of Frauds (SCBMF)

1. Purpose

Bank of Maharashtra (hereinafter referred to as the – "bank") has put in place a Special Committee of the Board for Monitoring & Follow-up of cases of Frauds (hereinafter referred to as the – "Committee"), in accordance with the guidelines issued by the Reserve Bank of India.

The committee looks after the matters/ issues related to Large Value frauds.

2. Composition & Meeting of Committee

2.1 Committee Composition

As per RBI Master Directions issued vide circular no. RBI/DOS/2024-25/118 DOS.CO.FMG.SEC.No.5/23.04.001/2024-25 dated 15th July 2024, the composition of the Committee should be as under:

S.no	Designation
1	Chairman – Shareholder/Independent Director/ Non- Executive Director
2	Member - Executive Directors
3	Member - Independent Director / Non- Executive Director

Note : As per RBI guidelines, the committee shall be constituted with minimum of three directors of the Board, consisting of a Whole Time Director and a minimum of two Independent Directors / Non-Executive Directors.

Secretary: The Board Secretary of the Bank shall act as the Secretary to the Committee. The minutes of the meeting shall also be documented by the Secretary.

2.2 Meeting of Committee

The Committee shall meet as and when required.

2.3 Quorum for the Meeting and other operational principles

The quorum for Committee meeting shall be 3 (three) members.

3. Roles and Responsibilities, Terms of reference and powers of the committee

The roles and responsibilities of a Special Committee of the Board for Monitoring & Follow-up of cases of Frauds (SCBMF) include:

- Oversee the effectiveness of the fraud risk management in the Bank.
- Review & monitor cases of frauds, including root cause analysis.
- Suggest mitigating measures for strengthening the internal controls, risk management framework & minimizing the incidence of frauds.

4. Regulations/ Guidelines/ Notifications

- Reserve Bank of India bearing reference No.RBI/2004-15DBS.FGV(F)No.1004/ 23.04.01A/ 2004-04 dated 14.01.2004
- RBI Master Direction on frauds bearing reference No RBI/DOS/2024-25/118 DOS.CO.FMG.SEC.No.5/23.04.001/2024-25 dated 15.07.2024

5. Review

The charter shall be reviewed and amended as and when necessitated due to change in any policy or regulation or other circumstances warranting a change in the charter post which it shall be placed before the board for approval.

Restricted

Nomination and Remuneration Committee Charter

1. Committee Overview

Bank of Maharashtra (hereinafter referred to as the – "bank") has put in place a Nomination and Remuneration Committee (hereinafter referred to as the – "Committee"), in accordance with the provisions of "Master Circular on Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board", dated April 26, 2021 by Reserve Bank of India (RBI) and Securities and Exchange Board of India "Listing Obligations and Disclosure Requirements Regulations,2015."

2. Composition & Meeting of Committee

2.1 Committee Composition

As per RBI Circular No. RBI/2021-22/24 DOR.Gov.REC.8/29.67.001/2021-22 dt 26.04.2021 on "Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board", the composition of the Committee should be as under:

S.no	Designation
1	Chairman – Independent Director/Shareholder Director
2	Member - Independent Director / Non- Executive Director
3	Member - Independent Director / Non- Executive Director

Note : As per RBI guidelines, the committee shall be constituted with only Non-Executive Directors. Atleast half of the members attending the meeting of the Committee shall be Independent Directors of which one shall be a member of Risk Management Committee. The Chair of the Board shall not chair NRC.

Pursuant to SEBI Guidelines, at least two-thirds of the members of audit committee shall be independent directors

Secretary: The Board Secretary of the Bank shall act as the Secretary to the Committee.

2.2 Meeting of Committee

The Committee shall meet at least once in a year. Ad-hoc meetings may be held from time to time.

2.3 Quorum for the Meeting

The quorum for committee meeting shall be 3 (three) members.

3. Roles and Responsibilities

The committee charter sets out the authority of the committee to carry out the responsibilities established for it by the board.

- To undertake a process of due diligence to determine the 'fit and proper' status of the persons to be elected as directors under Section 9(3)(i) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970
- The Committee shall meet after the last date prescribed for acceptance of nominations and determine whether or not the person's candidature should be accepted, based on the criteria

given in Reserve Bank of India ('Fit and Proper' Criteria for Elected Directors on the Boards of PSBs) Directions, 2019

- Based on the information provided in the signed declaration, the Committee shall decide on the acceptance or otherwise of the candidature and shall make references, where considered necessary, to the appropriate authority / persons, to ensure that the candidate conforms to the requirements indicated
- The Committee shall adopt the revised criteria given in the RBI directions while scrutinizing the nomination of candidates seeking election as new directors (appointment/re-appointment)
- Recommendation of fixation of Remuneration to the Board, for the appointment of Executive on contractual basis for General Manager and above Equivalent post.
- Performance Evaluation of the Board
- Performance Evaluation of Executives appointed on contractual basis for General Manager and above Equivalent post.

➢ **Functions of NRC as per the SEBI (LODR) Regulations, 2015**:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees.
2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
    a. use the services of an external agencies, if required;
    b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
    c. consider the time commitments of the candidates.
3. Formulation of criteria for evaluation of performance of independent directors and the board of directors.
4. Devising a policy on diversity of board of directors.
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
6. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
7. Recommend to the board, all remuneration, in whatever form, payable to senior management.

4. Regulations/Guidelines/Notifications:

- Reserve Bank of India vide circular no. RBI/DBR/2019-20/71 dated 02.08.2019 has issued Reserve Bank of India ('Fit and Proper' Criteria for Elected Directors on the Boards of PSBs under Section 9(3)(i) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970.) Directions, 2019. In terms of Para 4.1 of the said directions, the bank is required to constitute a Nomination and Remuneration Committee.
- RBI communication RBI/DBR/2019-20/71 Master Direction DBR.Appt.No. 9/29.67.001/2019-20 dated August 2, 2019

- RBI Circular No. BI/2021—24 DOR.Gov.REC.8/29.67.001/2021-22 dt 26.04.2021
- Regulation 19 read with Part D of Schedule II of SEBI LODR Regulations, 2015

5. Review

The charter shall be reviewed and amended as and when necessitated due to change in any policy or regulation or other circumstances warranting a change in the charter post which it shall be placed before the board for approval.

Restricted

Performance Evaluation Committee Charter

1. Committee Overview

Bank of Maharashtra (hereinafter referred to as the – "bank") has put in place a Committee for Performance Evaluation (hereinafter referred to as the – "Committee"), to monitor and evaluate the performance of the Chief General Managers/General Managers in control of risk, compliance, and Audit (hereinafter referred to as the –"CGM" or "GMs"), along with all the Whole Time Directors (hereinafter referred to as the –"WTDs") of the Bank.

The Committee is tasked with ensuring that the WTDs and CGMs/GMs are evaluated fairly for betterment rather than as criticism, which will fetch considered direction in identifying areas required to enhance performance. The bank expects the WTDs and CGMs/GMs to acquire new skills corresponding to the changing business environment and expectations, which will significantly enhance Board effectiveness, maximize stakeholders' wealth, and improve corporate relations.

2. Composition & Meeting of Committee

2.1 Committee Composition

As per DFS communication no. F. No. 9/5/2009-IR dated 30.08.2019, the composition of the Committee should be:

S.no	Designation
1	Chairman – Shareholder Director / Independent Director/ Non – Executive Director
2	Member - Government Nominee Director
3	Member – Chairman of ACB

Note : As per DFS guidelines, in case of vacancy in the post of Non- Executive Chairman, the chairman of Audit Committee of the Board shall be a member.

Secretary: The Board Secretary of the Bank shall act as the Secretary to the Committee. The minutes of the meeting shall also be documented by the Secretary.

2.2 Meeting of Committee

The Committee shall meet as and when required.

The committee at its discretion, may invite representatives from different departments or experts, as considered necessary, to be present at the meetings of the committee.

2.3 Quorum for the Meeting

The quorum for Committee meeting shall be 3 (three) members.

3. Roles and Responsibilities, Terms of Reference and powers of committee

The committee plays a vital role in ensuring the accountability, transparency, and sound governance of whole-time directors and General Managers within the bank, ultimately contributing to the bank's long-term success and sustainability. Below mentioned are few roles and responsibilities:

- To appraise, review and accept the Annual Performance Appraisal Reports of the Managing Director and CEOs, Executive Directors and Chief General Managers/ General Managers in charge of Risk, Compliance and Audit.
- Set up quantitative and qualitative KPIs for evaluation of performance of GMs/ CGMs and EDs
- Maintain confidentiality throughout the evaluation process and ensure independence and objectivity in assessing the performance of whole-time directors and General Managers, free from undue influence or conflicts of interest.

4. Regulations/Guidelines/Notifications:

- Ministry of Finance ("MOF") vide communication no. F. No. 9/5/2009-IR dated 30.08.2019 advised the Bank to constitute a Board Committee for Performance Evaluation of Managing Directors & CEO, Executive Directors in charge of internal Control Functions (Risk, Compliance and Audit) and of functions other than Internal control and Chief General Managers / General Managers in charge of internal control functions (Risk, Compliance and Audit) of the bank and of functions other than Internal control.
- In terms of Ministry of Finance communication no. F. No. 9/5/2009-IR dated 06.02.2023, to conduct the Performance Evaluation of MD&CEO, Executive Directors and Chief General Managers / General Managers in charge of internal control functions (Risk, Compliance and Audit) of the Bank.

5. Review

The charter shall be reviewed and amended as and when necessitated due to change in any policy or regulation or other circumstances warranting a change in the charter post which it shall be placed before the board for approval.

Restricted

Share Transfer Committee Charter

1. Committee Overview

Bank of Maharashtra (hereinafter referred to as the – "bank") has put in place a Share Transfer Committee of board (hereinafter referred to as the – "Committee"), in accordance with the guidelines issued by the Bank of Maharashtra (Shares and meetings) Regulations, 2004.

The purpose of this committee is to look after the matters related to application of transfer/ transmission of shares held in physical form, Issue of duplicate share certificates etc.

2. Composition & Meeting of Committee

2.1 Committee Composition

As per Section 2A of Bank of Maharashtra (Shares and Meetings) Regulations, 2004, the composition of the Committee should be as under:

S.no	Designation
1	Chairman – MD & CEO
2	Member – Executive Directors
3	Member - Shareholder/ Independent Director

Secretary: The Board Secretary of the Bank shall act as the Secretary to the Committee. The minutes of the meeting shall also be documented by the Secretary.

2.2 Meeting of Committee

The Committee shall meet as and when required.

2.3 Quorum for the Meeting

The quorum for Committee meeting shall be 2 (two) members.

3. Roles and Responsibilities, terms of reference and powers of the committee

The committee charter sets out the authority of the committee to carry out the responsibilities established for it by the board.

- The committee is responsible to review and approve or reject requests for the transfer of shares in the bank.
- The committee is responsible to act in the best interests of the bank and its shareholders when reviewing share transfer requests.
- The Committee shall ensure that all decisions align with the bank's strategic goals and shareholder value.

Restricted

4. Regulations/Guidelines/Notifications

- In terms of regulation 2A read with Regulation 17 of the Bank of Maharashtra (Shares and Meetings) Regulations, 2004

5. Review

The charter shall be reviewed and amended as and when necessitated due to change in any policy or regulation or other circumstances warranting a change in the charter post which it shall be placed before the board for approval.

Restricted

Stakeholder Relationship Committee Charter

1. Committee Overview

Bank of Maharashtra (hereinafter referred to as the – "bank") has put in place a Stakeholder Relationship Committee (hereinafter referred to as the – "Committee"), in accordance with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The committee reviews the various aspects of interest of shareholders, debenture holders and other security holders as per SEBI LODR Regulations, 2015.

2. Composition & Meeting of Committee

2.1 Committee Composition

As per Regulation 20 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the composition of the Committee should be as under:

S.no	Designation
1	Chairman – Non-Executive Director
2	Member – Executive Directors

Note : As per SEBI guidelines, the committee shall have atleast 3 directors with atleast one being an Independent Director as member of the committee.

Secretary: The Board Secretary of the Bank shall act as the Secretary to the Committee. The minutes of the meeting shall also be documented by the Secretary.

The Chairperson of the Stakeholders Relationship Committee shall be present at the annual general meetings to answer queries of the security holders.

2.2 Meeting of Committee

The stakeholder's relationship committee shall meet at least once in a year. The venue shall be notified to the attendees through post or electronic modes.

2.3 Quorum for the Meeting

The Stakeholder Relationship Committee shall meet with a quorum of 2 (two members).

3. Roles and Responsibilities, Terms of reference and powers of the committee

The role of the committee shall inter-alia include the following:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, nonreceipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.

Restricted

- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- Ensure stakeholder engagement and address concerns from shareholders, employees, customers, and regulators.
- Facilitate communication and build trust with all key stakeholders.
- To maintain and promote the corporate image of the Bank among stakeholders including potential stakeholders.

4. Regulations/ Guidelines/ Notifications

- Regulation 20 read with Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

5. Review

The charter shall be reviewed and amended as and when necessitated due to change in any policy or regulation or other circumstances warranting a change in the charter post which it shall be placed before the board for approval.

Restricted

Management Committee Charter

1. Committee Overview

Bank of Maharashtra (hereinafter referred to as the – "bank") has put in place a Management Committee (hereinafter referred to as the – "Committee"), in accordance with the provisions of "The Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970."

The Management Committee shall exercise such powers of the Board including the powers with regard to credit proposals, as may be delegated to it by the Board with the approval of the Central Government and such approval shall be given by the Central Government after consultation with the Reserve Bank of India.

2. Composition & Meeting of Committee

2.1 Committee Composition

Pursuant to the provisions of The Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970 – role of management committee is to consider various business matters of material significance like sanction of high value credit/ Investment proposals, compromise/ Write off proposals, sanction of capital and revenue expenditure and any other matter referred by the board.

As per the Section 13 of the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970, the composition of the Committee should be as under:

S.no	Designation
1	Chairman – MD & CEO
2	Member – Executive Directors
3	Member – RBI Nominee Director [Section 9 (3) (c)]
4	Member – Three other part-time non-official directors nominated by the Board (Section 9(3)(e), (f), (h) and (i)), depending upon available strength of directors

Secretary: The Board Secretary of the Company shall act as the Secretary to the Committee. The minutes of the meeting shall also be documented by the Secretary.

2.2 Meeting of Committee

The meetings of the Management Committee may be held as and when required.

2.3 Quorum for the Meeting

The quorum for Committee meeting shall be 4 (four) members.

Restricted

3. Roles and Responsibilities, Terms of reference and Powers of the committee

The role of the Management Committee:

- Where the Chairman of the Management Committee is of opinion that in view of urgency in any matter, it should be dealt with expeditiously, he may circulate a resolution to that effect to the members of the Management Committee and such resolution shall be deemed to be the resolution passed by the Management Committee when it is approved by a majority of the Members but shall have effect from the day it is signed by the last signatory to the resolution:
- Provided that any resolution passed as aforesaid shall be placed before the next meeting of the Management Committee:
- Provided further that if any dissenting member requires in writing that any resolution so passed shall be placed before a meeting of the Management Committee, the resolution shall not be deemed to be valid and effectual as aforesaid unless the same is passed at such meeting.
- Considering credit / loan compromise / write off proposals, approval of capital and revenue expenditure, acquisition and hiring of premises, decision making in various legal matters and other business matters falling withing the delegated powers of Management Committee
- Apart from this, the Committee will also consider various business matters and such other matters as delegated by the Board.

4. Regulations/ Guidelines / Notifications

- Section 13 of the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970

5. Review

The charter shall be reviewed and amended as and when necessitated due to change in any policy or regulation or other circumstances warranting a change in the charter post which it shall be placed before the board for approval.

Restricted

Steering Committee of Board on HR Charter

1. Committee Overview

Bank of Maharashtra (hereinafter referred to as the – "bank") has put in place a Steering Committee of Board on HR (hereinafter referred to as the – "Committee"), in accordance with the guidelines issued by the Government of India.

The committee looks after the matters/ issues related to Human Resources.

2. Composition & Meeting of Committee

2.1 Committee Composition

As per DFS Communication No. F. No.9/18/2009-IR dated 06.05.2015, the composition of the Committee should be as under:

S.no	Designation
1	Chairman – MD & CEO
2	Member – Executive Directors
3	Member - GOI Nominee Director
4	Outside Experts - 02

Secretary: The Board Secretary of the Bank shall act as the Secretary to the Committee. The minutes of the meeting shall also be documented by the Secretary.

2.2 Meeting of Committee

The Committee shall meet at least once in a quarter that is 4 (four) times in a year. Ad-hoc meetings may be held from time to time. The venue shall be notified to the attendees through post or electronic modes.

2.3 Quorum for the Meeting

The quorum for Committee meeting shall be 2 (two) members and 1 (one) outside expert.

3. Roles and Responsibilities, Terms of reference and Powers of the committee

The committee charter sets out the authority of the committee to carry out the responsibilities established for it by the board.

- Ensuring that the bank attracts and retains top talent by implementing effective onboarding and retention strategies.
- Promote diversity and inclusion initiatives to create a more inclusive workplace culture.
- Review the annual training calendar.
- Review the training evaluation method adopted by the bank and suggest changes/improvements.
- Develop succession plans to mitigate talent gaps and ensure continuity in key roles within the bank.

Restricted

- Assess and implement HR technology solutions to ensure data security and improve efficiency.
- Review and approval of policies related to human resource area.
- Performance Management, Compensation & Career Development Initiatives.
- Ensure HR practices align with the bank's long-term vision and culture.
- Oversee the implementation of HR initiatives.
- Review and recommend HR strategies and policies

4. Regulations/ Guidelines/ Notifications:

- DFS, MOF, GOI Communication F. No.9/18/2009-IR dated 06.05.2015

5. Review

The charter shall be reviewed and amended as and when necessitated due to change in any policy or regulation or other circumstances warranting a change in the charter post which it shall be placed before the board for approval.

Restricted

Special Committee of Board for Compromise

1. Committee Overview

Bank of Maharashtra (hereinafter referred to as the – "bank") has put in place a Special Committee for Compromise (hereinafter referred to as the – "Committee"), in accordance with the guidelines issued by the Reserve Bank of India.

The committee looks after the matters/ issues related to Settlements/ Compromises of loans.

2. Composition & Meeting of Committee

2.1 Committee Composition

As per Board Resolution passed vide meeting dated 31.01.2024, the composition of the Committee should be as under:

S.no	Designation
1	Chairman – MD & CEO
2	Member – Executive Directors
3	Member – GOI Nominee Director
4	Member – RBI Nominee Director
5	Member – Shareholder Director
6	Member – Part Time Non - Official Director

Note :

i. Any official who was part of sanctioning the loan (as part of the committee) shall not be part of the approving the proposal for compromise settlement of the same loan account, in any capacity.
ii. Proposals for compromise settlements in respect of debtors classified as fraud or wilful defaulter, shall require approval of the Board in all cases.

Secretary: The Board Secretary of the Bank shall act as the Secretary to the Committee. The minutes of the meeting shall also be documented by the Secretary.

2.2 Meeting of Committee

The Committee shall meet as and when required.

2.3 Quorum for the Meeting

The quorum for Committee meeting shall be 3 (three) members.

Restricted

3. Roles and Responsibilities, Terms of reference and Powers of the committee

The committee charter sets out the authority of the committee to carry out the responsibilities established for it by the board:

- The Committee will approve compromise settlement proposals as per Recovery Management & Compromise Policy, as approved by the Board from time to time. Presently as per Recovery Management and Compromise Policy, the Committee will approve the following proposals:
  - Compromise Settlements for loan sanctioned by Management Committee earlier Provided, official who was part of sanctioning the loan (as part of the committee) shall not be part of the approving the proposal for compromise settlement of the same loan account, in any capacity.

4. Regulations/ Guidelines/ Notifications:

- RBI Circular no. RBI/ 2023-24/40 DOR.STR.REC.20/21.04.048/2023-24 dated June 8, 2023
- Board Resolution passed vide meeting dated 31.01.2024

5. Review

The charter shall be reviewed and amended as and when necessitated due to change in any policy or regulation or other circumstances warranting a change in the charter post which it shall be placed before the board for approval.

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Annexure II

Criteria for Performance Evaluation

The criteria for performance evaluation as mentioned in Master circular for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities vide SEBI/HO/CFD/PoD2/CIR/P/0155 dated 11.11.2024 is as under:

Indicative criteria that may be used for different directors/groups are:

A. Board as a Whole

5.1 Structure of the Board:

i. **Competency of directors:** Whether Board as a whole has directors with a proper mix of competencies to conduct its affairs effectively.

ii. **Experience of directors**: Whether Board as a whole has directors with enough experience to conduct its affairs effectively.

iii. **Mix of qualifications**: Whether Board as a whole has directors with a proper mix of qualifications to conduct its affairs effectively.

iv. **Diversity in Board under various parameters:** Gender/background/ competence/experience, etc. – Whether there is sufficient diversity in the Board on the aforesaid parameters.

v. **Appointment to the Board:** Whether the process of appointment to the board of directors is clear and transparent and includes provisions to consider diversity of thought, experience, knowledge, perspective and gender in the board of directors.

b. Meetings of the Board:

i. ***Regularity of meetings***: Whether meetings are being held on a regular basis.

ii. **Frequency:**

1. Whether the Board meets frequently
2. Whether the frequency of such meetings is enough for the Board to undertake its duties properly

iii. ***Logistics:*** Whether the logistics for the meeting is being handled properly- venue, format, timing, etc.

iv. ***Agenda***:

1. Whether the agenda is circulated well before the meeting
2. Whether the agenda has all relevant information to take decision on the matter
3. Whether the agenda is up to date, regularly reviewed and involves major substantial decisions

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4. Whether the quality of agenda and Board papers is up to the mark (explains issues properly, not overly lengthy, etc.)

5. Whether outstanding items of previous meetings are followed-up and taken up in subsequent agendas

6. Whether the time allotted for every item (especially substantive items) in the agenda of the meeting is sufficient for adequate discussions on the subject

7. Whether the Board is able to finish discussion and decision on all agenda items in the meetings

8. Whether adequate and timely inputs are taken from the Board members prior to setting of the agenda for the meeting

9. Whether the agenda includes adequate information on Committee's activities

v. **Discussions and dissent:**

1. Whether the Board discusses every issue comprehensively and depending on the importance of the subject

2. Whether the environment of the meeting induces free-flowing discussions, healthy debate and contribution by everyone without any fear or fervour

3. Whether the discussions generally add value to the decision making

4. Whether the Board tends towards group think and whether critical and dissenting suggestions are welcomed

5. Whether all members actively participate in the discussions

6. Whether overall, the Board functions constructively as a team

vi. ***Recording of minutes:***

1. Whether the minutes are being recorded properly- clearly, completely, accurately and consistently.

2. Whether the minutes are approved properly in accordance with set procedures.

3. Whether the minutes are timely circulated to all the Board members

4. Whether dissenting views are recorded in the minutes

vii. ***Dissemination of information:***

1. Whether all the information pertaining to the meeting are disseminated to the members timely, frequently, accurately, regularly

2. Whether Board is adequately informed of material matters in between meetings

c. Functions of the Board:

i. ***Role and responsibilities of the Board:*** Whether the same are clearly documented

ii. **Strategy and performance evaluation:**

1. Whether significant time of the Board is being devoted to management of current and potential strategic issues

2. Whether various scenario planning is used to evaluate strategic risks

3. Whether the Board overall reviews and guides corporate strategy, major plans of action, risk policy, annual budgets and business plans, sets performance objectives, monitored implementation and corporate performance, and oversees major capital expenditures, acquisitions and divestments.

iii. **Governance and compliance:**

1. Whether adequate time of the Board is being devoted to analyse and examine governance and compliance issues
2. Whether the Board monitors the effectiveness of its governance practices and makes changes as needed
3. Whether the Board ensures the integrity of the entity's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
4. Whether the Board oversees the process of disclosure and communications.
5. Whether the Board evaluates and analyses the compliance certificate from the auditors / practicing company secretaries regarding compliance of conditions of corporate governance.

iv. ***Evaluation of Risks***:

1. Whether Board undertakes a review of the high-risk issues impacting the organization regularly
2. In assessment of risks, whether it is ensured that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the entity to excessive risk.

v. ***Grievance redressal for Investors***:

Whether the Board regularly reviews the grievance redressal mechanism of investors, details of grievances received, disposed of and those remaining unresolved.

vi. ***Conflict of interest***:

1. Whether the Board monitors and manages potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions
2. Whether a sufficient number of non-executive members of the board of directors capable of exercising independent judgement are assigned to tasks where there is a potential for conflict of interest

vii. ***Stakeholder value and responsibility***:

1. Whether the decision-making process of the Board is adequate to assess creation of stakeholder value
2. Whether the Board has mechanisms in place to communicate and engage with various stakeholders
3. Whether the Board acts on a fully informed basis, in good faith, with due diligence and care, with high ethical standards and in the best interest of the entity and the stakeholders.
4. Whether the Board treats shareholders and stakeholders fairly where decisions of the board of directors may affect different shareholder/ stakeholder groups differently.
5. Whether the Board regularly reviews the Business Responsibility Reporting / related corporate social responsibility initiatives of the entity and contribution to society, environment etc.

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viii. ***Corporate culture and values:*** Whether the Board sets a corporate culture and the values by which executives throughout a group shall behave.

ix. ***Review of Board evaluation:*** Whether the Board monitors and reviews the Board evaluation framework.

x. ***Facilitation of independent directors:*** Whether the Board facilitates the independent directors to perform their role effectively as a member of the board of directors and also a member of a committee of board of directors and any criticism by such directors is taken constructively.

d. Board and management:

i. Evaluation of performance of the management and feedback:

1. Whether the Board evaluates and monitors management, regularly and fairly and provides constructive feedback and strategic guidance
2. Whether the measures used are broad enough to monitor performance of the management
3. Whether the management's performance is benchmarked against industry peers
4. Whether remuneration of the management is in line with its performance and with industry peers
5. Whether remuneration of the Board and the management is aligned with the long term interests of the entity and its shareholders.
6. Whether the Board selects, compensates, monitors and, when necessary, replaces key managerial personnel based on such evaluation.

ii. ***Independence of the management from the Board:*** Whether the level of independence of the management from the Board is adequate.

iii. ***Access of the management to the Board and Board access to the management***: Whether the Board and the management are able to actively access each other and exchange information.

iv. ***Secretarial support***: Whether adequate secretarial and logistical support is available for conducting Board meetings.

v. ***Fund availability***: Whether sufficient funds are made available to the Board for conducting its meeting effectively, seeking expert advice E.g. Legal, accounting, etc.

vi. ***Succession plan:*** Whether an appropriate and adequate succession plan is in place and is being reviewed and overseen regularly by the Board.

e. Professional development:

i. Whether adequate induction and professional development programmes are made available to new and old directors.

ii. Whether continuing directors training is provided to ensure that the members of board of directors are kept up to date.

B. <u>Independent Directors/ Non Executive Directors:</u>

5.1.1.1.1 **Qualifications**: Details of professional qualifications of the member

5.2 Experience: Details of prior experience of the member, especially the experience relevant to the entity

c. **Knowledge and Competency:**
   i. How the person fares across different competencies as identified for effective functioning of the entity and the Board(The entity may list various competencies and mark all directors against every such competency)
   ii. Whether the person has sufficient understanding and knowledge of the entity and the sector in which it operates

a. **Fulfillment of functions:** Whether the person understands and fulfills the functions to him/her as assigned by the Board and the law (E.g. Law imposes certain obligations on independent directors)

b. **Ability to function as a team**: Whether the person is able to function as an effective team- member

c. **Initiative**: Whether the person actively takes initiative with respect to various areas

d. **Availability and attendance:** Whether the person is available for meetings of the Board and attends the meeting regularly and timely, without delay.

e. **Commitment:** Whether the person is adequately committed to the Board and the entity

f. **Contribution:** Whether the person contributed effectively to the entity and in the Board meetings

g. **Integrity:** Whether the person demonstrates highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.)

The following template may be used for performance evaluation of Independent directors/ Non executive directors:

Date: _____

Confidential

Part II: Board's inputs regarding assessment in respect of non-official Director

Name:

Professional and ethical conduct observed: (tick appropriate box)

S. No.	Attribute	Maintaining the highest standards at all times	Generally adhering to standards expected	Non-adherence to standards expected observed
1	Acting in accordance with provisions of laws, rules and regulations			
2	Acting in the best interest of the bank			
3	Exercise of due and reasonable care, skill, diligence and independent judgement			
4	Avoidance of direct or indirect conflicts of interest			
5	Avoidance of undue gain or advantage either to self or relatives, partners or associates			
6	Maintaining confidentiality of information, including commercial secrets and unpublished market—sensitive information			
Comments:				

Contribution: (tick appropriate box)

S. No.	Aspect	At all times	Generally	Room for improvement
1	Striving to attend all Board and committee meetings			
2	Seeking appropriate clarification or amplification of information Where necessary			
3	Display of requisite knowledge and expected level of awareness of the bank and external environment in meetings and comments			
4	Contribution in terms of constructive ideas, guidance and knowledge for better decision—making and management of the bank's affairs			
5	Timeliness of feedback on decisions being taken by the bank			
Comments:				

Signature of Board Secretary:	Signature of Chairman of Board:
Name:	Name:
Date:	Date:

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Annexure III

ELECTION OF SHAREHOLDER DIRECTOR - EXTRACT OF ACTS / REGULATIONS / RESERVE BANK OF INDIA & GOVERNMENT OF INDIA NOTIFICATIONS AND GUIDELINESS:

In terms of Section 9(3) (i) of The Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, the Shareholder Directors shall have to be appointed depending upon the extent of capital issued under clause (c) of subsection (2B) of Section 3 of the Act.

The relevant Sections of The Banking Regulations Act, 1949, The Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, the Nationalized Banks (Management & Miscellaneous Provisions) Scheme, 1970 and the relevant regulations of Bank of Maharashtra (Shares and Meetings) Regulations, 2004 and as amended respectively in this regard, are reproduced below for the information of the shareholders.

THE BANKING REGULATION ACT, 1949:

Substantial Interest - Section 5 (ne)
(i) In relation to a company, means the holding of a beneficial interest by an individual or his spouse or minor child, whether singly or taken together, in the shares thereof, the amount paid up on which exceeds five lakhs of rupees or ten percent of the paid-up capital of the company, whichever is less.
(ii) In relation to a firm, means the beneficial interest held therein by the individual or his spouse or minor child, whether singly or taken together, which represents more than ten percent of the total capital subscribed by all the partners of the said firm.

Prohibition of Common Directors – Section 16(1)
No Banking Company incorporated in India shall have as a Director in its Board of Directors any person who is a Director of any other Banking Company.

Restrictions on Loans and Advances – Section 20
1) Notwithstanding anything to the contrary contained in Section 77 of the Companies Act, 1956 (1 of 1956), no Banking Company shall –

a) grant any loans or advances on the security of its own shares, or
b) enter into any commitment for granting any loan or advance to or on behalf of –
   (i) any of its Directors
   (ii) any firm in which any of its Directors is interested as partner, manager, employee or guarantor, or
   (iii) any company (not being a subsidiary of the banking company or a company registered under Section 25 of the Companies Act, 1956 (1 of 1956), or a Government company) of which or the subsidiary or the holding company of which any of the Directors of the banking company is a Director, Managing Agent, Manager, Employee or guarantor or in which he holds substantial interest, or
   (iv) any individual in respect of whom any of its Directors is a partner or guarantor.

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2) Where any loan or advance granted by a banking company is such that a commitment for granting it could not have been made if Clause (b) of sub-section (1) had been in force on the date on which the loan or advance was made or is granted by a banking company after the commencement of Section 5 of the Banking Laws (Amendment) Act, 1968 (58 of 1968), but in pursuance of a commitment entered into before such commencement, steps shall be taken to recover the amounts due to the banking company on account of the loan or advance together with interest, if any, due thereon within the period stipulated at the time of the grant of loan or advance or where no such period has been stipulated, before the expiry of one year from the commencement of the said Section 5;

Provided that the Reserve Bank may, in any case, on an application in writing made to it by the banking company in this behalf, extend the period for the recovery of the loan or advance until such date, not being a date beyond the period of three years from the commencement of the said Section 5 and subject to such terms and conditions, as the Reserve Bank may deem fit:

Provided further that this sub-section shall not apply if and when the Director concerned vacates the office of the Director of the banking company, whether by death, retirement, resignation or otherwise.

3) No loan or advance, referred to in sub-section (2), or any part thereof shall be remitted without the previous approval of the Reserve Bank, and any remission without such approval shall be void and of no effect.

4) Where any loan or advance referred to in sub-section (2), payable by any person, has not been repaid to the banking company within the period specified in that subsection, then, such person shall, if he is a Director of such banking company on the date of the expiry of the said period, be deemed to have vacated his office as such on the said date.

Explanation - in this Section –

a) "Loan or advance" shall not include any transaction which the Reserve Bank may, having regard to the nature of the transaction, the period within which, and the manner and circumstances in which, any amount due on account of the transaction is likely to be realized, the interest of the depositors and other relevant considerations, specify by general or special order as not being a loan or advance for the purpose of this Section;

b) "Director" includes a member of any board or committee in India constituted by a banking company for the purpose of managing, or for the purpose of advising it in regard to the management of, all or any of its affairs.

5) If any question arises whether any transaction is a loan or advance for the purpose of this Section, it shall be referred to the Reserve Bank, whose decision thereon shall be final.

Applicability of certain Sections of Act to a corresponding new bank – Section 51

(1) Without prejudice to the provisions of the State Bank of India Act, 1955(23 of 1955) or any other enactment, the provisions of sections 10, 13 to 15, 17, 19 to 21A, 23 to 28, 29 excluding sub-section

(3,) 29A, sub-section (1B), (1C) and (2) of sections 30, 31, 34, 35, 35A, 36 [excluding clause(d) of sub-section(1)] 45Y to 45ZF, 46 to 48] 50, 52 and 53 shall also apply; so far as may be, to and in relation to the State Bank of India or any corresponding new bank or a Regional Rural Bank or any subsidiary bank as they apply to and in relation to banking companies:

PROVIDED that-

(a) nothing contained in clause (c) of sub-section (1) of section 10 shall apply to the Chairman of the State Bank of India or to a Managing Director of any subsidiary bank insofar as the said clause precludes him from being a Director of, or holding an office in, any institution approved by the Reserve Bank;

(b) nothing contained in sub-clause (iii) of clause (b) of subsection (!) of section 20 shall apply to any bank referred to in sub-section (1), insofar as the said sub-clause (iii) of clause (b) precludes that bank from entering into any commitment for granting any loan or advance to or on behalf of a company (not being a Government company) in which not less than forty per cent of the paid-up capital is held (whether singly or taken together) by the Central Government or the Reserve Bank or a corporation owned by that bank; and

(c) nothing contained in section 46 or in section 47A shall apply to, -

(i) an officer of the Central Government or the Reserve Bank, nominated or appointed as Director of the State Bank of India or any corresponding new bank or a Regional Rural Bank or any subsidiary bank or a banking company; or

(ii) an officer of the State Bank of India or a corresponding new bank or a Regional Rural Bank or a subsidiary bank nominated or appointed as Director of any of the said banks (not being the bank of which he is an officer) or of a banking company.;

(2) References to a banking company in any rule or direction relating to any provision of this Act referred to in subsection (1)shall, except where such rule or direction provides otherwise, be construed as referring also to the State Bank of India, a corresponding new bank, a Regional Rural Bank and a subsidiary bank.

THE BANKING COMPANIES (ACQUISITION AND TRANSFER OF UNDERTAKINGS) ACT, 1970:

Restrictions on voting rights

Section 3(2E) No shareholder of the corresponding new bank, other than the Central Government, shall be entitled to exercise voting rights in respect of any shares held by him in excess of ten per cent of the total voting rights of all the shareholders of the corresponding new bank.

Composition of the Board of Directors

Section 9 (3) (i) Where the capital issued under clause (c) of sub-section (2B) of Section 3 is:-

a) not more than sixteen per cent of the total paid up capital, one Director

b) more than sixteen per cent of the total paid up capital, but not more than thirty two per cent of the total paid up capital, two Directors.

c) more than thirty two per cent of the total paid-up capital, three Directors to be elected by the shareholders other than the Central Government from amongst themselves.

Provided that on the assumption of charge after election of any such director under this clause, equal number of directors nominated under clause (h) shall retire in such manner as may be specified in the Scheme.

Provided further that in case the number of directors elected, on or before the commencement of The Banking Companies (Acquisition and Transfer of Undertakings) and Financial Institutions Laws (Amendment) Act, 2006, in a corresponding new Bank exceed the number of directors specified in sub-clause (I) or sub-clause (II) or sub-clause (III), as the case may be, such excess number of directors elected before such commencement shall retire in such manner as may be specified in the scheme and such directors shall not be entitled to claim any compensation for the premature retirement of their term of office.

Section 9(3A) The Directors to be elected under the said clause (i) shall –

(A) have special knowledge or practical experience in respect of the one or more of the following matters, namely -

(a) agricultural and rural economy
(b) banking
(c) co-operation
(d) economics
(e) finance
(f) law
(g) small scale industry
(h) any other matter the special knowledge of, and practical experience in which would, in the opinion of the Reserve Bank of India be useful to the Bank RBI vide its Notification DBR.Appt. BC.No.38/29.39.001/2016-17 dated November 24, 2016 has notified that special knowledge or practical experience in matters or areas relating to (i) Information Technology (ii) Payment & Settlement Systems (iii) Human Resources (iv) Risk Management and (v) Business Management would be useful to a corresponding new bank.

(B) represent the interests of depositors; or

(C) represent the interest of farmers, workers and artisans **Section 9(3AA)** Without prejudice to the provision of subsection 3(A) and notwithstanding anything to the contrary contained in this Act or in other law for the time being in force, no person shall be eligible to be elected as a Director under Clause (i) of Sub-Section (3) unless he is a person having 'fit and proper status' based upon track record, integrity and such other criteria as the Reserve Bank may notify from time to time in this regard.

Section 9(3AB) The Reserve Bank may also specify in the notification issued under sub-section 3(AA), the Authority to determine the 'Fit and Proper' status, the manner of such determination, the procedure to be followed for such determination and such other matters as may be considered necessary or incidental thereto.

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Section 9(3B) Where the Reserve Bank is of the opinion that any Director of a corresponding new bank elected under clause (i) of sub-section (3) does not fulfill the requirements of sub-section (3A) and (3AA), it may after giving to such Director and the Bank a reasonable opportunity of being heard, by order, remove such Director and on such removal, the Board of Directors shall co-opt any other person fulfilling the requirements of sub-section (3A) and (3AA), as a Director in place of the person so removed till a Director is duly elected by the shareholders of the corresponding new bank in the next Annual General Meeting and the person so co-opted shall be
deemed to have been duly elected by the shareholders of the corresponding new bank as a Director.

Obligation as to Fidelity and Secrecy:
Section 13(2): Every Director, member of a local Board or a Committee, or Auditor, Advisor, Officer or other employee of a corresponding new bank shall before entering upon his duties, make a declaration of fidelity and secrecy in the form set out in the Third Schedule.

THE NATIONALISED BANKS (MANAGEMENT AND MISCELLANEOUS PROVISIONS) SCHEME, 1970:

Clause 9: Term of office of elected directors
Clause 9(4):
An elected Director shall hold office for three years and shall be eligible for re-election.
Provided that no such Director shall hold office continuously for a period exceeding six years.

Clause 10: Disqualification of Directors
A person shall be disqualified for being appointed as, and for being, a Director:-

a) if he has at any time been adjudicated an insolvent or has suspended payment or has compounded with his creditors or
b) if he has been found to be of unsound mind and stands so declared by a competent court; or
c) if he has been convicted by a Criminal Court of an offence which involves moral turpitude; or
d) if he holds any office of profit under any Nationalized Bank or State Bank of India, constituted under sub-section (1) of Section 3 of the State Bank of India Act, 1955 or any subsidiary Bank as defined in Section 3 of the State Bank of India (Subsidiary Banks) Act, 1959, except for holding the post of a whole-time Director, including the Managing Director and Directors nominated under clauses (e) and (f) of sub-section (3) of Section 9 of the Act from amongst the employees of the corresponding new bank.

Clause 11: Vacation of office of Directors
1) If a Director becomes subject to any of the disqualifications specified in clause 10 or is absent without leave of the Board for more than three consecutive meetings thereof, he shall be deemed to have vacated his office as such and thereupon his office shall become vacant.

2) The Chairman or whole-time Director including the Managing Director or a Director referred to in clause (b) or clause (c) of sub section 3 of Section 9 of the Act may resign his office by giving notice thereof in writing to the Central Government and on such resignation being accepted by that Government shall be deemed to have vacated his office; and any other Director may resign

his office by giving notice thereof in writing to the Central Government and such resignation shall take effect on the receipt of the communication of the resignation by the Central Government.

3) Without prejudice to the provision of the foregoing subclauses, the office of a Director referred to in clause (e) or clause (f) of sub-section 3 of Section 9 of the Act shall become vacant as soon as the Director ceases to be a workman or an employee other than workman of the Nationalized Bank of which he is a Director.

4) Where any vacancy occurs in the office of a Director other than an elected Director, it shall be filled in accordance with sub-section (3) of Section 9 of the Act.

Clause 11A: Removal from office of an elected Director

The shareholders, other than the Central Government, may, by a resolution passed by majority of the votes of such shareholders holding in the aggregate, not less than one half of the share capital held by all such shareholders, remove any Director elected under Clause (i) of sub-section (3) of Section 9 and elect instead of him another person to fill the vacancy.

Clause 11B: Filling of vacancy in the office of an elected Director

1) Where any vacancy occurs before the expiry of the term of office of an elected Director, the vacancy shall be filled in by election:

Provided that where the duration of vacancy is likely to be less than six months, the vacancy may be filled in by the remaining Directors.

2) A person elected or co-opted, as the case may be, under sub clause (1) shall hold office for the unexpired portion of the term of his predecessor.

Clause 12(8): Disclosure of interest by Directors

A Director who is directly or indirectly concerned or interested in any contract, loan, arrangement or proposal entered into or proposed to be entered into by or on behalf of the Nationalized Bank, shall, as soon as possible after the relevant circumstances have come to his knowledge, disclose the nature of his interest to the Board and shall not be present at the meeting of the Board when any such contract, loan, arrangement or proposal is discussed unless his presence is required by the other Directors for the purpose of eliciting information and no Director so required to be present shall vote on any such contract, loan, arrangement or proposal:

Provided that nothing contained in this sub-clause shall apply to such Director by reason only of his being:

i) a shareholder (other than a Director) holding not more than two percent of the paid up capital in any public company as defined in the Companies Act, 1956 (1 of 1956), or any corporation established by or under any law for the time being in force in India or any co-operative society, with which or to which the Nationalized Bank has entered into or made or proposed to enter into or make, a contract, loan, arrangement or proposal; or ii) an officer or other employee of the Nationalized

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Bank, if he is a director referred to in clause (e) or clause (f) of sub-section (3) of Section 9 of the Act.

IV. BANK OF MAHARASHTRA (SHARES AND MEETINGS) REGULATIONS, 2004:

Chapter II

Regulation 10: Exercise of rights of joint holders

If any share stands in the names of two or more persons, the person first named in the register shall, as regards voting, receipt of dividends, service of notices and all or any other matters connected with Bank of Maharashtra except the transfer of shares, be deemed to be the sole holder thereof.

Chapter V

Election of Directors

Regulation 63: Directors to be elected at general meeting

i) A Director under clause (i) of sub-section (3) of Section 9 of the Act shall be elected by the shareholders on the register, other than the Central Government, from amongst themselves in the general meeting of Bank of Maharashtra.

ii) Where an election of a Director is to be held at any general meeting, the notice thereof shall be included in the notice convening the meeting. Every such notice shall specify the number of Directors to be elected and the particulars of vacancies in respect of which the election is to be held.

Regulation 64: List of shareholders

i) For the purpose of election of a Director under subregulation (i) of Regulation 63 of these regulations, a list shall be prepared of shareholders on the register by whom the Director is to be elected.

ii) The list shall contain the names of the shareholders, their registered addresses, the number and denoting distinctive numbers of shares held by them with the dates on which the shares were registered and the number of votes to which they will be entitled on the date fixed for the meeting at which the election will take place and copies of the list shall be available for purchase at least three weeks before the date fixed for the meeting at a price to be fixed by the Board or the Management Committee, on application at the Head Office.

Regulation 65: Nomination of candidates for election

i) No nomination of a candidate for election as a Director shall be valid unless,

a) he is a shareholder holding not less than 100 (One hundred) shares in Bank of Maharashtra;

b) he is on the last date for receipt of nomination, not disqualified to be a Director under the Act or under the Scheme;

c) he has paid all calls in respect of the shares of the Bank held by him, whether alone or jointly with others, on or before the last date fixed for the payment of the call;

d) the nomination is in writing signed by atleast one hundred shareholders entitled to elect Directors under the Act or by their duly constituted attorney, provided that a nomination by a shareholder who is a company may be made by a resolution of the Directors of the said company and where it is so made, a copy of the resolution certified to be a true copy by the

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Chairman of the meeting at which it was passed shall be dispatched to the Head Office of Bank of Maharashtra and such copy shall be deemed to be a nomination on behalf of such company;

e) the nomination accompanies or contains a declaration signed by the candidate before a Judge, Magistrate, Registrar or Sub-Registrar of Assurances or other Gazetted Officer or an Officer of the Reserve Bank of India or any Nationalized Bank, that he accepts the nomination and is willing to stand for election and that he is not disqualified either under the Act or the Scheme or these regulations from being a Director;

ii) No nomination shall be valid unless it is received with all the connected documents complete in all respects and received, at the Central Office of Bank of Maharashtra on a working day not less than fourteen days before the date fixed for the meeting.

Regulation 66: Scrutiny of nominations

i. Nominations shall be scrutinized on the first working day following the date fixed for receipt of the nominations and in case any nomination is not found to be valid, the same shall be rejected after recording the reason therefor. If there is only one valid nomination for any particular vacancy to be filled by election, the candidate so nominated shall be deemed to be elected forthwith and his name and address shall be published as so elected.

In such an event there shall not be any election at the meeting convened for the purpose and if the meeting had been called solely for the purpose of the aforesaid election, it shall stand cancelled.

ii. In the event of an election being held, if valid nominations are more than the number of Directors to be elected, the candidate polling the majority of votes shall be deemed to have been elected.

iii. A Director elected to fill an existing vacancy shall be deemed to have assumed office from the date following that on which he is, or is deemed to be, elected.

Regulation 67: Election disputes

i) if any doubt or dispute shall arise as to the qualification or disqualification of a person deemed, or declared to be elected, or as to the validity of the election of a Director, any person interested, being a candidate or shareholder entitled to vote at such election, may within seven days of the date of the declaration of the result of such election, give intimation in writing thereof to the Chairman and Managing Director of Bank of Maharashtra and shall in the said intimation give full particulars of the grounds upon which he doubts or disputes the validity of the election.

ii) On receipt of an intimation under sub-regulation (i) the Chairman and Managing Director or in his absence, the Executive Director of Bank of Maharashtra shall forthwith refer such doubt or dispute for the decision of a committee consisting of the Chairman and Managing Director or in his absence, the Executive Director and any two of the Directors nominated under clauses (b) and (c) of sub-section (3) of Section 9 of the Act.

iii) The committee referred to in sub-regulation (ii) shall make such enquiry as it deems necessary and if it finds that the election was a valid election, it shall confirm the declared result of the election or, if it finds that the election was not a valid election, it shall, within thirty days of the commencement of the enquiry, make such order and give such directions including the holding of a fresh election as shall in the circumstances appear just to the committee.

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iv) An order and direction of such committee in pursuance of this regulation shall be conclusive.

Chapter VI
Voting Rights of Shareholders:
Regulation 68: Determination of voting rights

i) Subject to the provisions contained in Section 3 (2E) of the Act, each shareholder who has been registered as a shareholder on the date of closure of the register prior to the date of a general meeting shall, at such meeting, have one vote on show of hands and in case of a poll shall have one vote for each share held by him.

ii) Subject to the provisions contained in Section 3 (2E) of the Act, every shareholder entitled to vote as aforesaid who, not being a company, is present in person or by proxy or who being a company is present by a duly authorized representative, or by proxy shall have one vote on a show of hands and in case of a poll shall have one vote for each share held by him as stated hereinabove in sub-regulation (i).

Explanation – for this Chapter, "Company" means any body corporate.

iii) Shareholders of the Bank entitled to attend and vote at a general meeting shall be entitled to appoint another person (whether a shareholder or not) as his proxy to attend and vote instead of himself; but a proxy so appointed shall not have any right to speak at the meeting.

Regulation 69: Voting by duly authorized representative

i) A shareholder, being the Central Government or a company, may by a resolution, as the case may be, authorize any of its officials or any other person to act as its representative at any general meeting of the shareholders and the person so authorized (referred to as a "duly authorized representative" in these regulations) shall be entitled to exercise the same powers on behalf of the Central Government or company which he represents, as if he were an individual shareholder of Bank of Maharashtra. The authorization so given may be in favour of two persons in the alternative and in such a case any one of such persons may act as the duly authorized representative of the Central Government/ company.

ii) No person shall attend or vote at any meeting of the shareholders of Bank of Maharashtra as the duly authorized representative of a company unless a copy of the resolution appointing him as a duly authorized representative certified to be a true copy by the Chairman of the meeting at which it was passed shall have been deposited at the Central Office of the Bank not less than four days before the date fixed for the meeting.

RBI'S FIT AND PROPER CRITERIA GUIDELINES:

Reserve Bank of India (RBI), in exercise of powers conferred on it under sub-sections (3AA) of Section 9 of the Banking Companies (Acquisition & Transfer of Undertakings) Act 1970/1980 has issued notification RBI/DBR/2019-20/71 Master Direction DBR.Appt. No:9/29.67.001/2019-20 dated August 2, 2019 laying down specific "Fit and Proper" Criteria to be fulfilled by the persons being elected as directors on the Board of PSBs under the provisions of Section 9 (3)(i) of the Banking Companies (Acquisition & transfer of undertakings) Act 1970/1980.

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SALIENT FEATURES OF THE NOTIFICATION:

The Authority, Manner/ Procedure and Criteria for deciding the “Fit and Proper “status etc. are as under:

a) Authority:

All the nationalized banks are required to constitute a "Nomination and Remuneration Committee" consisting of a minimum of three non-executive directors from amongst the Board of Directors for undertaking the process of due diligence to determine `fit and proper' status of the candidate. The Board of Directors should also nominate one among them as Chairman of the Nomination and Remuneration committee.

The quorum required is three, including the Chairman. In case of absence of any member already nominated, the Board of Directors may nominate any other non-executive director in his place for the meeting. At the time of constituting the committee the Board can decide on its tenure.

b) Manner and procedure:

The Bank will obtain necessary information, and declaration & undertaking in format as given in the circular from the persons who file their nomination for election.

The committee shall meet after the last date prescribed for acceptance of nominations and determine whether or not the person's candidature should be accepted, based on the criteria mentioned in the RBI circular.

The committee's discussions should be properly recorded as formal minutes of the meeting and the voting if done should also be noted. Based on the information provided in the signed declaration, the Committee shall decide on the acceptance or otherwise of the candidate and may make references, where considered necessary to the appropriate authority/persons, to ensure that the candidate conforms to the requirements indicated.

C) Criteria

The committee shall determine the 'fit and proper' status of the proposed candidate based on the broad criteria as mentioned hereunder:

(i) Age - The candidate's age should be between 35 to 67 years as on the cut-off date fixed for submission of nominations for election.

(ii) Educational qualification - The candidate should at least be a graduate.

(iii) Experience and field of expertise - The candidate shall have special knowledge or practical experience in respect of one or more of the matters enumerated in section 9(3A)(A) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980, as the case may be, read with RBI Circular DBR.Appt.BC No 39/29.39.001/2016-17 dated November 24, 2016.

(iv) Disqualifications: In addition to 'Disqualifications of Directors' as prescribed in Clause 10 of Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970/80:

(a) The candidate should not be a member of the Board of any bank or the Reserve Bank or a Financial Institution (FI) or Insurance Company or a NOFHC holding any other bank.

Explanation: For the purpose of this sub-para and subpara

(c), the expression "bank" shall include a Banking company, a corresponding new bank, State Bank of India, a co-operative bank and a regional rural bank.

(b) A person connected with hire purchase, financing, money lending, investment, leasing and other para banking activities shall not be considered for appointment as elected director on the board of a PSB.

However, investors of such entities would not be disqualified for appointment as directors if they do not enjoy any managerial control in them.

(c) No person may be elected/ re-elected on the Board of a bank if he/she has served as director in the past on the board of any bank (including the bank in which he/she has served as director in the past) /FI/RBI/Insurance Company under any category for six years, whether continuously or intermittently.

(d) The candidate should not be engaging in the business of stock broking.

(e) The candidate should not be holding the position of a Member of Parliament or State Legislature or Municipal Corporation or Municipality or other local bodies (means bodies such as Notified Area Council, City Council, Panchayat, Gram Sabha, Zila Parishad, etc).

(f) The candidate should not be acting as a partner of a Chartered Accountant firm which is currently engaged as a Statutory Central Auditor of any nationalised bank or State Bank of India.

(g) The candidate should not be acting as a partner of a Chartered Accountant firm which is currently engaged.

(v) Tenure - An elected director shall hold office for three years and shall be eligible for re-election: Provided that no such director shall hold office for a period exceeding six years whether served continuously or intermittently.

(vi) Professional Restrictions –

a) The candidate should neither have any business connection (including legal services, advisory services etc.) with the concerned bank nor should be engaged in activities which might result in a conflict of business interests with that bank.

b) The candidate should not be having any professional relationship with a bank or any Non Operative Financial Holding Company (NOFHC) holding any other bank.

Provided that a candidate having any such relationship with a bank at the time of filing nomination for election shall be deemed to be meeting the requirement under item (b), the candidate shall submit a declaration to the Committee that such relationship with the bank shall be severed if he is elected as a director, and upon being elected, severs such relationship before appointment as a director of the bank.

(vii) Track record and integrity - The candidate should not be under adverse notice of any regulatory or supervisory authority/agency, or law enforcement agency and should not be a defaulter of any lending institution.

(D) The banks shall obtain from the elected director:

(a) Deed of Covenant executed in the format given in the RBI circular, before such person assumes office of director.

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(b) a simple declaration every year as on 31st March to the effect that the information already provided by such person has not undergone any change.
(c) Where the elected director informs that there is change in the information provided earlier, the bank shall obtain from such director a fresh Annex 1 incorporating the changes.

(E) Further, the Circular also provides that the Bank shall also ensure compliance to Section 20 of the Banking Regulation Act, 1949. In addition,
(a) Put in place a system of safeguards, including proper disclosure of the elected CA director's/his firm's clients, and not participating in bank's credit/investment decisions involving his/firm's clients. The elected CA director should be required to compulsorily dissociate himself from the entire process and sign a covenant to this effect.
(b) Require the elected director to make a full and proper disclosure of his interests and directorships in business entities, with the director personally distancing himself from and not participating in the bank's credit/investment decisions involving entities in which he is interested.
(c) Not allot any professional work to a person who was an elected director of that bank, for a period of two years after demitting office as such director.

(F) Where the elected director:
(a) fails to
(i) submit the Deed of Covenant or declaration; or
(ii) make proper disclosures; or
(iii) refrain from participating in credit/investment decisions, where he is interested; or
(b) makes incomplete or incorrect disclosures, or
(c) involves in such activities that render him/her 'not fit and proper' as per the criteria mentioned above, such director shall be deemed to be not fulfilling the requirements of sub-section (3AA) of section 9 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980 and shall be liable for the consequences thereof.

GUIDELINES FOR SELECTION OF PART-TIME NON-OFFICIAL DIRECTOR - GOI guidelines dated June 01,2011 as made applicable vide GOI Office Memorandum dated September 03, 2013 and revised vide MOF Letter No.F.No.16/51/2012-BO.I dated April 28, 2015 and Letter No. F.No.16/51/2012-BO.I dated July 20, 2016 (the extant Government of India guidelines).

The following criteria may be adopted for nomination of part-time non-official directors (NOD) on the boards of public sector banks/financial institutions etc.,

CRITERIA OF EXPERIENCE
a) Nominations will be made keeping in view the provisions of the relevant Act/Rules.
b) Persons of eminence with special academic training or practical experience in the fields of agriculture, rural economy banking, cooperation, economics, business management, human resources, finance, corporate law, Risk Management, industry and IT will ordinarily be considered. 20 years of industry experience at a senior position, established expertise in respective areas (successfully led a reputed organisation, brought turnaround in a failing organisation) would be preferred.

c) Retired Senior Government officials with total experience of 20 years and minimum 10 years of experience at Joint Secretary and above level. Retired CMDs/EDs of Public Sector Banks after one year of retirement. The ex-CMDs/ EDs will not be considered for appointment as NoD on the Board of the PSB from which they have retired. Serving CMDs/EDs of a PSB will not be considered for appointment as NoD on the Board of any other PSB.
d) Academicians Directors of premier Management Institutes and Professors having more than 20 years experience
e) Chartered Accountants with 20 years experience (excluding audit experience) would also be preferred

EDUCATION

An NOD should at least be a graduate in any stream preferably with specialisation in Business Management, Risk Management, Finance, Human Resources and IT.

AGE

The age of the Director, on the date of recommendation by the Committee should not be more than 67 years.

WORK EXPERIENCE

Professionals/academicians should ordinarily have 20 years of work experience in their particular field.

DISQUALIFICATIONS

a) A director already on a Bank/Financial Institution (FIs)/ RBI / Insurance Company, under any category, may not be considered for nomination as NoD in any other Bank / FI/ RBI/ Insurance Company.
b) Persons connected with hire purchase, financing, investment, leasing and other para-banking activities, MPs, MLAs, MLCs and Stock Brokers will not be appointed as non-official directors on the boards of Banks/Fls/RBI / Insurance Companies. Investors in a hire purchase, financing, investment, leasing and other para banking activities would not be disqualified for appointment as NoD, if they are not having any managerial control in such companies.
c) No person may be re-nominated as a NoD on the Board of a Bank/ FI / RBI / Insurance Company on which he/she has served as Director in the past under any category for two terms or six years whichever is longer.

TENURE

An NOD would not be considered for nomination as a Director on the Board of a Bank/FI/ RBI / Insurance Company if such Director has already been a NOD / Shareholder Director on the board of any other Bank/FI/RBI/Insurance Company for six years, whether continuously or intermittently.

PROFESSIONAL RESTRICTION

a) If a Chartered Accountant firm is currently engaged in any Public Sector Bank (PSB) as a Statutory Central Auditor, no partner of the same Chartered Accountant firm shall be eligible for appointment as a Non-official Director in any Nationalised Bank / PSB.

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b) If a Chartered Accountant firm is currently engaged in a Nationalised Bank as Statutory Branch Auditor or Concurrent Auditor, no partner of the same Chartered Accountant firms should be eligible for appointment as a Non-official Director in the same Bank. As restriction imposed by RBI Notification and GOI Guidelines are similar in nature, the Bank may consider the stricter of the two while determining the Fit & Proper status of the Candidates.

NOTIFICATION OF RESERVE BANK OF INDIA, DEPARTMENT OF BANKING REGULATION

DBR.Appt.BC.No.38/29.39.001/2016-17 and DBR.Appt.BC.No.39/29.39.001/2016-17 dated November 24, 2016.

Special knowledge or practical experience useful to banking companies

In exercise of the powers conferred by Section 10A(2)(a)(ix) of the Banking Regulation Act, 1949, Section 19A(1)(a)(viii) of State Bank of India Act, 1955, Section 25A(1)(a)(viii) of State Bank of India (Subsidiary Banks) Act, 1959 and Section 9(3A) (A)(viii) of Banking Companies (Acquisition and Transfer of Undertakings) Act 1970/1980, Reserve Bank of India hereby notifies that special knowledge or practical experience in matters or areas relating to (i) Information Technology (ii) Payment & Settlement Systems (iii) Human Resources (iv) Risk Management and (v) Business Management would be useful to a banking company, State Bank of India, subsidiary bank and a corresponding new bank, as the case may.

Restricted