

THE CATHOLIC SYRIAN BANK LIMITED

NOMINATION POLICY

Review-January-2019

A. PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013, the Board of Directors of every listed Company and such other class or classes of companies as may be prescribed in the ACT/relevant rules shall frame a Nomination Policy. This policy on Nomination of Directors, appointment of Key Managerial Personnel (KMP) and Senior Management has been formulated by the Nomination & Remuneration Committee and approved by the Board of Directors of the Bank. This policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto.

B. CONSTITUTION OF NOMINATION & REMUNERATION COMMITTEE

The Board of Directors of the Bank (the Board) has constituted the committee known as the Nomination & Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half are independent directors. The Chairman of the Committee is an Independent Director. However, the chairperson of the company (whether executive or non executive) may be appointed as a member of the Nomination Committee but shall not chair such Committee.

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The following directors are presently the members of the Committee -

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| 1. Smt. Bhama Krishnamurthy, Chairperson | Independent Director |
| 2. Shri. Thomas Mathew | Independent Director |
| 3. Smt. Madhavan Karunakaran Menon | Non-Executive Director |
| 4. Shri. Sumit Maheshwari | Non-Executive Director |

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As on January 1, 2019.

C. OBJECTIVE

The Nomination & Remuneration Committee and this Policy are in compliance with Section 178 of the Companies Act, 2013 read with the applicable rules thereto, and the Guidelines of the Reserve Bank of India as issued/ amended from time to time. The objective of this policy is to lay down a framework in relation to appointment of directors, key managerial personnel and senior management personnel.

The Key Objectives of the Committee would be:

1. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal, and shall carry out evaluation of every director's performance.
2. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees.

The Committee, while formulating the remuneration Policy as above, shall ensure that-

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the bank successfully;
- b) relationship of remuneration to performance is clear and meets appropriate benchmarks; and
- c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay, to the extent desirable, reflecting short and long term performance objectives appropriate to the working of the bank and its goals.

Further, the Policy shall also be disclosed in the Board's Annual report.

3. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management in accordance with the criteria laid down.
4. To formulate the criteria for evaluation of every Directors' performance.
5. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
6. To develop a succession plan for the Board, key managerial personnel and senior management personnel, and to regularly review the plan.

D. APPLICABILITY

This policy shall apply to

- a) Directors (Executive and Non Executive)
- b) Key Managerial Personnel (KMP)
- c) Senior Management Personnel

E. DEFINITIONS

“Act” means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

“Board” means Board of Directors of the Bank

“Committee” means the Nomination & Remuneration Committee of the Board.

“Directors” mean Directors of the Bank.

“Key Managerial Personnel” means

- i. Managing Director, or Chief Executive Officer or Manager or Whole-time Director;
- ii. Chief Financial Officer;
- iii. Company Secretary; and
- iv. such other officer as may be prescribed by the Government.

“Senior Management” means the personnel of the bank who are members of its core management team excluding Board of Directors, and comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time, shall have the meaning respectively assigned to them therein.

F. POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTORS, KMP AND SENIOR MANAGEMENT

1. Appointment Criteria and Qualifications

a) Subject to the extant of RBI Guidelines as applicable, the provisions of the Companies Act, 2013 and other relevant rules and Regulations as applicable, the Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her

appointment.

b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

c) The Bank shall not appoint or continue the employment of any person as Whole-time Director, Managing Director or Manager who has attained the age of seventy years.

d) The Bank shall not appoint or re-appoint any person as Director if he/she has attained the age of seventy years

2. Term / Tenure

a) Managing Director / Whole-time Director:

The Bank shall appoint or re-appoint any person as its Part-time Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Bank and will be eligible for re-appointment on passing of a special resolution by the Bank and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms of upto a maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Bank in any other capacity, either directly or indirectly.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

c) Section 10A(2A)(i) of the Banking Regulation Act, 1949 prescribes that no director of a banking Company, other than its chairman or whole-time Director, by whatever name called,

shall hold office continuously for a period exceeding eight years.

3. Evaluation

The Committee shall carry out evaluation of performance of every Director.

4. Removal

Due to reasons of any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Acts, rules and regulations.

5. Retirement

The Directors, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Bank. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Bank Subject to compliance of the extent guidelines and Regulatory prescriptions.

G. DUTIES IN RELATION TO NOMINATION MATTERS

The duties of the Committee in relation to nomination matters include:

- Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- Identifying and recommending Directors who are to be put forward for retirement by rotation, determining the appropriate size, diversity and composition of the Board;
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- Evaluating the performance of the Board members and Senior Management in the context of the bank's performance from business and compliance perspective;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Bank subject to the provision of the law and their service contract.

- Delegating any of its powers to one or more of its members or the Secretary of the Committee;

Recommend any necessary changes to the Board; and

Considering any other matters, as may be requested by the Board.

H. REVIEW AND AMENDMENT

- i. The Committee may review the Policy as and when it deems necessary.
- ii. The Committee may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.
- iii. This Policy may be amended or substituted by Board on the recommendation of the Committee as and when required and also on the recommendation of the Compliance Officer where there is any statutory changes necessitating change in the policy.
