

Fit and Proper' Criteria for directors of AAs

AAs are advised to ensure that the procedures mentioned below are followed and minimum criteria fulfilled by the persons before they are appointed on the Boards:

- (a) AA should undertake a process of due diligence to determine the suitability of the person for appointment / continuing to hold appointment as a director on the Board, based upon qualification, expertise, track record, integrity and other 'fit and proper' criteria. AA should obtain necessary information and declaration from the proposed / existing directors for the purpose in the format given at Annex- 5
- (b) The process of due diligence should be undertaken by the AA at the time of appointment / renewal of appointment.
- (c) The board of the AA should constitute Nomination Committee to scrutinize the declarations.
- (d) Based on the information provided in the signed declaration, Nomination Committee should decide on the acceptance or otherwise of the directors, where considered necessary.
- (e) Where there is any change in information provided by the directors earlier, the same should be furnished by them to the AA immediately.
- (f) AA should obtain annually as on 31st March a simple declaration from the directors that the information already provided has not undergone change and where there is any change, requisite details are furnished by them forthwith.
- (g) The Board of the AA must ensure in public interest that the nominated/ elected directors execute the deeds of covenants in the format given in Annex-6.
