

INDUSTRIAL INVESTMENT TRUST LIMITED

'Fit and proper' Criteria Policy for Directors

Background, purpose and scope

With the increasing integration of NBFCs in the financial sector and their growing systemic significance, it has become important that the Directors and shareholders who are responsible for steering the affairs of the companies are fit and proper, besides having the necessary qualifications. In view of this, the Reserve Bank of India (RBI) requires that all NBFCs-ND-SI and NBFCs-D put in place a policy with effect from March 31, 2015 for ascertaining the fit and proper criteria at the time of appointment of Directors and on a continuing basis and has prescribed guidelines for the same.

This Policy:

1. The Company shall 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.
2. The Company shall obtain necessary information and declaration from the proposed / existing directors for the purpose in the format as prescribed by RBI.
3. The process of due diligence shall be undertaken by the Company at the time of appointment / renewal of appointment.
4. The Nomination and Remuneration Committee shall scrutinize the declarations.
5. Based on the information provided in the signed declaration, Nomination and Remuneration Committee shall decide on the acceptance or otherwise of the Directors, where considered necessary.
6. The Company shall obtain on annual basis as at 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.
7. The Board of Directors must ensure that the nominated/ elected directors execute the deeds of covenants in the format as prescribed by RBI.
8. Independent / Non-Executive Directors nominated to the Board of the Company should be between 35 to 70 years of age.