

**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 31<sup>st</sup> 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.

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