



## **POLICY ON BOARD DIVERSITY**

**(W.E.F. 29<sup>TH</sup> MARCH 2017)**

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### **Preamble**

This Board Diversity Policy is framed by the Bank pursuant to Regulation 19(4) and Part D (A)(3) of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 "LODR" which sets out the adequacy of diverse Board.

### **Applicability**

The Policy shall be applicable for members of the Board of Directors of City Union Bank Limited. It does not apply to diversity in relation to employees of the Bank.

### **Policy Statement**

The Bank recognizes the importance of having a diverse Board on account of various factors viz., industrial challenges faced by the Bank, macro-economic scenario, attain competitive edge over peers, sustainable development and stakeholders value maximization. The Bank believes a diversified Board determines the quality of Board and ensures optimum composition. The guidelines of Reserve Bank of India and Section 10A(2)(a) of the Banking Regulation Act, 1949 also mandates that minimum 51% of the Board of a Bank should consist of members from different sectors having special knowledge and practical experience.

The Nomination committee reviews the composition of the Board to be in line with the Articles of Association of the Bank, the Companies Act 2013 and the SEBI Listing Regulations 2015 and recommends the appointment of a new Director after satisfying itself about the fit and proper criteria as per RBI guidelines.

### **Monitoring and Reporting**

The committee will monitor and report annually, in the Corporate Governance section of Annual Report the Bank, on the process it has used in relation to Board appointments, if any.

### **Review Of The Policy**

The Board shall have the power to amend/ review/ replace this Policy from time to time to ensure its effectiveness.

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