

In terms of Govt. of India, Ministry of Finance, Department of Economic Affairs (Banking Division), New Delhi Circular Letter F.No. 9/17/2000-B.O.I dated 19.09.2002 addressed to Chairman & Managing Directors of all nationalised banks.

**STATEMENT INDICATING DOs AND DON'Ts FOR
NON-OFFICIAL DIRECTORS ON THE BOARD
OF PUBLIC SECTOR BANKS**

DO'S

- (i) Attend the Board meetings regularly and effectively.
- (ii) Study the Board papers thoroughly and use the good offices of the Chief executive for eliciting any information at the Board meeting.
- (iii) Ask the Chairman & Managing Director to furnish you with the Board papers and follow-up reports on definite time schedule.
- (iv) Involve yourself as Directors on the Board thoroughly in the matter of formulation of general policy and also ensure that performance of the bank is monitored adequately at Board level.
- (v) Be familiar with the board objectives of the bank and the policy laid down by the Government and the Reserve Bank.
- (vi) All constructive ideas for the better management of the bank and for making valuable contribution would be welcome.
- (vii) You must work as a team and not sponsor or be prejudiced against individual proposals. Management on its part is supposed to furnish full facts and complete papers in advance.
- (viii) Try to give as much of your wisdom, guidance and knowledge as possible to the management.
- (ix) Try to analyse the trends of economy, assist in the discharge of management's responsibility to public and formulation of measures to improve customer service and be generally of constructive assistance to the bank management.

Where service is a way of life

DON'T's

- (i) Do not send any instruction to any individual officer of the bank or give direction to individual officer in any matter.
- (ii) Do not involve yourself in any matter relating to personnel administration - whether it is appointment/sponsoring or transfer/posting/ promotion/ redressal of individual grievances of any employee.
- (iii) Do not interfere in the day-to-day functioning of the bank.
- (iv) Do not approach or influence for sanction of any kind of facility from an individual Branch Manager or any other official.
- (v) Do not involve yourself in the routine of everyday business and in the management functions.
- (vi) Do not participate in the Board discussion if a proposal in which you are directly or indirectly interested comes up for discussion. Disclose your interest well in advance to the chief executive.
- (vii) Do not reveal any information relating to any constituent of the bank to anyone as you are under oath of secrecy and fidelity.
- (viii) Directors should not send for individual officers of the bank or give directions to such officers on any matter.
- (ix) You should discourage the individual employee or unions approaching you in any matter.
- (x) You may indicate your directorship of the bank on your visiting card or letter heads, but the logos or distinctive design of the bank should not, however, be displayed on the visiting card/letter head.
- (xi) Directors should not directly call for papers/ files / notes recorded by various departments for scrutiny etc. in respect of agenda items to be discussed in the meetings. All information/clarification that they may require for taking a decision will be made available by the executives.

- (xii) Directors are expected to ensure confidentiality of the Bank's agenda papers/notes. Ordinarily, it is suggested that by way of abundant precaution, the Board papers may be returned to the bank after the meeting.
- (xiii) Do not sponsor any loan proposal, buildings and sites for bank's premises, enlistment or empanelment of contractors, architects, doctors, lawyers, etc. Do not do anything which will interfere with and/or be subversive of maintenance of discipline, good conduct and integrity of the staff.
