

Performance Evaluation Criteria

Criteria for performance evaluation of the Board, its Committees, Individual Directors, the Chairperson and PID's

- I. Guiding principles for performance evaluation of the Board
- A. Governance related
- Corporate Governance standards adopted by the Board such as board composition, board diversity etc. and its implementation
 - Understanding roles and responsibilities of Directors
 - Code of conduct and Ethics and adherence thereto
 - Independence of Board functioning
 - Commitment to highest ethical standards of integrity and probity.
 - Implementation and periodic review of policies and procedures for risk management, financial controls and statutory / regulatory compliance.
 - Number and adequacy of meetings, discussion on strategic matters having substantial effect on the functioning of the Company.
 - Accountability for decisions taken.
 - Stakeholder relationship management.
 - Adequacy on flow of information to the Board.
- B. Business related
- Understanding of the objectives, values, vision and business of the Company
 - Provision of entrepreneurial leadership
 - Setting up of Company's strategic aims and financial goals
 - Guidance to drive financial and business performance of the Company and periodic review of the same
 - Ensuring necessary financial and human resource support to achieve Company's objectives
 - Strategic and business risk evaluation, assessment and timely action.
- C. Others
- Board processes for ensuring optimum size, composition, diversity and delegation of authority
 - Adequate reporting mechanism to stakeholders and redressal of their grievances.
 - Engagement with the executive management (formal or informal) on issues/concerns having effect on the Company's functioning.
- II. Guiding principles for performance evaluation of Committees

In addition to the principles stated above for evaluation of Board to the extent applicable to the respective committee, following may be taken into consideration for performance evaluation of Committees:

- Constructive recommendations made by the Committee(s) to the Board may also be kept in mind
- Engagement with executive management (formal or informal) on information required by the Committee to effectively discharge its statutory responsibilities.

III. Guiding principles for performance evaluation of individual Directors

The individual director's performance may be largely evaluated based on his/her level of participation and contribution to the performance of Board/Committee(s) in respect of the above areas.

- Understanding of roles, responsibility, regulatory systems, laws and regulations applicable to the Company and performance of duties in independent and objective manner.
- Understanding of objectives, values, vision and business of the Company.
- Level of participation and devotion of time to Board meetings and Committee meetings, if any.
- Skills, knowledge, experience, application of subject matter expertise.
- Adherence to Code of Conduct and Code of Ethics of the Company.
- Disclosure of conflict of interest or material pecuniary relationships with the Company, its subsidiaries and associates or any proposed contract or arrangement.
- Engagement with executive management for efficient discharge of responsibilities.

III. A - Managing Director and Chief Executive Officer:

- Long-term vision for the Company and business acumen.
- Entrepreneurial leadership to the Company and its business segments and setting up of strategic vision.
- Clear understanding of Company's business, industry dynamics, competitive trends including global trends and inherent business and operational risks.
- Willingness to experiment and adopt innovative strategies for changing the Company's business landscape.
- Execution of policies and procedures put in place by the Board.

IV. Guiding principles for performance evaluation of Chairperson

In addition to the above, the following principles may be kept in mind while evaluating the performance of the Chairman:

- Efficient leadership qualities and determination of delivery of the Company's strategy.
- Ensuring adequate flow of information to all Directors on any issue where a decision is required.
- Enhancing of Company's image in dealings with major stakeholders.

- In-depth knowledge of the industry and business.
- Enjoys trust and confidence of Board members.
- Ensuring that every Board member has an opportunity to be heard and to present his/her views without any constraint.
- Encouragement to Independent Directors to bring diverse perspectives on the table.
- Ensuring that Directors are fully informed as possible on any issue where decision is required.

V. Guiding principles for performance evaluation of the PID's

- a. Qualifications: The PID's qualification in area of law, finance, accounting, economics, management, administration or another area relevant to the financial markets, including any recent updates in this regard.
- b. Experience: The PID's prior experience in area of law, finance, accounting, economics, management, administration or any other area relevant to the financial markets, including any recent updates in this regard.
- c. Knowledge and Competency:
 - Whether the PID has sufficient understanding and knowledge of the entity in which it operates and the applicable regulatory norms.
 - Whether the PID has sufficient understanding of the role, responsibilities and obligations of PID under the relevant regulatory norms.
 - How the PID fares across different competencies as identified for effective functioning of Board of the concerned MII.
 - Whether the PID has sufficient understanding of the risk attached with the business structure.
- d. Fulfilment of functions:
 - Whether the PID understands and fulfils the functions as assigned to him/her by the Board and the regulatory norms.
 - Whether the PID gives views and opinion on various regulatory matters when comments are invited by SEBI through various means.
- e. Ability to function as a team:
 - Whether the PID is able to function as an effective team- member.
 - Whether the PID listens attentively to the contributions of others and gives adequate weightage to the views and perception of other Board members.

- Whether the PID shares good interpersonal relationship with other directors.

f. Initiative:

- Whether the PID actively takes initiative with respect to various areas.
- Whether the PID insists on receiving information necessary for decision making.
- Whether the concerned PID keeps himself well informed about the functioning of MII and the external environment in which it operates.
- Whether the PID remains updated in terms of developments taking place in regulatory areas.
- Whether the PID has identified any important issues concerning any matter which may involve conflict of interest for the concerned MII, or may have significant impact on their functioning, or may not be in the interest of securities market, and whether the PID reported same to SEBI.
- Whether the PID appropriately deals with critical matters.

g. Availability and attendance:

Whether the PID is available for meetings of the Board and attends the meeting of Governing board and Committees regularly and timely, without delay. It must be ensured that the concerned PID hasn't remained absent for three consecutive meetings of the governing board and has attended seventy five per cent of the total meetings of the governing board in each calendar year; failing which the PID shall be liable to vacate office.

h. Commitment: Whether the PID is adequately committed to the Board and the MII.

i. Contribution:

- Whether the PID has contributed effectively to the entity and in the Board meetings.
- Whether the PID participates in the proceedings of Board meetings keeping in mind the interests of various stakeholders.
- Whether the PID actively deliberates and contributes on proposed business propositions and strategic decisions taking into consideration pros and cons of such propositions, long term outlook, business goals, cost-benefit analysis, etc.

j. Integrity:

- Whether the PID demonstrates highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.).
- Whether the PID strictly adhere to the provisions of the SEBI SECC Regulations, 2018 and any other regulatory provision, as applicable, along-with the code of conduct and code of ethics prescribed under other applicable regulatory norms.
- Whether disclosures such as dealing in securities and other regulatory disclosures are provided by the PID on timely basis.
- Confirmation on the PID being a Fit & Proper person.
- Confirmation that the PID doesn't disclose confidential information, including technologies, unpublished price sensitive information, unless such disclosure is expressly approved by the Board of directors or required under the applicable laws.

k. Independence:

- Whether the PID is independent from the entity and the other directors and there is no conflict of interest.
- Confirmation as to non-association of the PID with relevant MII and its member.
- Whether the PID keeps regulators informed of material developments in the concerned MIIs functioning, from time to time.

l. Independent views and judgment:

- Whether the PID exercises his/ her own judgment and voices opinion freely.
- Whether the PID's participation in decisions taken during meetings are unbiased, based on ethical judgment and are in strict conformity to the applicable regulatory norms.
- Whether the PID raises his/her concern if anything is observed contrary to regulatory norms and the expected norms of ethical conduct.
- Whether the PID is committed to ensure that there is fairness and integrity in MIIs system, in letter as well as spirit.

While carrying out performance evaluation as above, the Board may take into account the inputs received, if any, from the review by Independent Directors.