

## DIRECTOR'S APPOINTMENT AND EVALUATION POLICY

Policy &amp; procedures

June 2020

**DIRECTORS APPOINTMENT AND EVALUATION POLICY**  
**IDBI Asset Management Limited**

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Note:	This Policy is prepared keeping in mind the industry practices and as per Companies Act, 2013. The Policy will be reviewed and updated once in three financial year.

**IDBI ASSET MANAGEMENT LTD.**  
**DIRECTORS' APPOINTMENT AND EVALUATION POLICY**

IDBI Asset Management Limited (IDBI AMC), Investment Manager to IDBI Mutual Fund ("the Mutual Fund") is a subsidiary of IDBI Bank Limited.

The provisions of Companies Act 2013 have been made effective from 01st April 2014. In terms of Section 178 (e), Section 134(3)(p) and Schedule IV of the Companies Act 2013, the Company is required to formulate a Director's appointment and Evaluation policy.

The policy broadly covers the relevant extracts of Articles of Association with respect to the Constitution of Board, appointment of Directors. It also covers the manner of performance evaluation of the Directors and Board as a whole, and relevant formats for evaluation.

**Constitution of the Board**

As per Article 170(a) of the Articles of Association of the Company, the Board of Directors of IDBI Asset Management Limited shall have not less than 3 Directors and not more than 12 Directors. The Constitution of the Board as provided under Article 170(b) read with Article 171(b) shall be as follows :

170 (b) Not less than fifty percent of the total number of members of the Board of Directors shall be independent Directors having special knowledge or practical experience in the fields such as portfolio management, investment analysis, financial administration etc. not liable to retire by rotation, for an initial term of upto 5 consecutive years but shall be eligible for re-appointment on passing of a Special Resolution for not more than one more term of upto 5 years subject to the maximum term of 10 years and disclosure of such appointment in the Board's report. The Company shall comply with all other relevant provisions pertaining to Independent Directors contained in the Companies Act, 2013 read with the relevant provisions of the SEBI (MF) Regulations 1996 as amended/ reenacted from time to time, as applicable and such other laws as may be applicable to the Company from time to time.

(ii) Notwithstanding anything to the contrary contained in these Articles of Association, one Woman Director shall be appointed on the Board in terms of Section 149(1)(b) of the Companies Act, 2013.\*

\* Women Director has to be appointed by the Company on or before 31<sup>st</sup> March 2015.

(i) Notwithstanding anything to the contrary contained in these Articles of Association, IDBI AMC shall ensure that atleast one Director on the Board has stayed in India for a total period of not less than one hundred and eighty two days in the previous calendar year, in terms of Section 149(3) of the Companies Act, 2013.

171(b) IDBI Bank Ltd shall be entitled to appoint/nominate or cause to be elected two Directors out of the total number of Directors on the Board. The Directors so appointed/nominated by IDBI Bank Ltd shall be liable to be removed by IDBI Bank Ltd at its discretion and IDBI Bank Ltd shall also be entitled to nominate/appoint, substitute in his or their place, and upon such removal, the person so nominated/appointed shall cease to be the Director of the Company with effect from the date on which IDBI Bank Ltd shall advise the Company about the withdrawal of the nomination/appointment. The Directors shall conform to such criterion as may be prescribed by Mutual Fund Regulations or as may be laid down by SEBI.

c All the remaining Directors shall be appointed by the Company in the General Meeting.

172 Notwithstanding anything contained herein, the composition of the Board of Directors shall be such as specified from time to time by SEBI.

173 The Chairperson of the Board shall be the Chairperson / MD & CEO of the IDBI Bank Limited as may be nominated from time to time

174 Except for the first Directors of the Company, at least two-third of the Directors of the Company or such other number or percentage as may be prescribed by SEBI from time to time, shall be Independent Directors in accordance with the SEBI Regulations.

175 (a) Subject to the provisions of the Act, the Directors may from time to time appoint or re- appoint one or more of them to be the Managing Director(s) or the Whole Time Director(s) of the Company for such terms not exceeding five years and subject to such remuneration, terms and conditions as they may think fit. The Directors except the Chairperson, MD &CEO and Independent Directors, shall be liable to retire by rotation.

(b) Subject to the provisions of the Act, the Directors may from time to time entrust to and confer upon the Managing Director or the Whole Time Director, for the time being, such of the powers exercisable under these presents by the Directors as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions, and with such restrictions as they may think expedient and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

Subject to the provisions of the Act, the Managing Director/the Whole Time Director shall not, while he continues to hold the office be subject to retirement by rotation. If he ceases to hold office of a Director for any cause whatsoever, he shall, ipso facto and immediately ceases to be the Managing/Whole Time Director.

### **Mode of Appointment of Directors**

(1) As per the Board constitution provided under Article 171(b), the appointment / nomination of Directors prescribed therein, shall be made by IDBI Bank Limited. Suitable orders will be issued by IDBI Bank to appoint (i) Chairperson; (ii) nomination of Associate Director; In terms of the provisions of the Companies Act, 2013, all appointments/nominations made by IDBI Bank shall be submitted to and noted & approved by the shareholders at the General Meeting.

(2)(a) In terms of Article 170(b) read with Article 174, two-third of the Directors shall be identified as non rotational Independent Directors by the Board of Directors and shall be appointed by the shareholders at the General Meeting. While identifying the persons to be appointed as Independent Directors, the Board will ensure that such persons possess the qualifications prescribed under Section 149(6) of the Companies Act, 2013 and SEBI (MF) Regulations 1996 including any statutory modification or amendment thereto and should be registered with the data bank of Indian Institute of Corporate Affairs, as per Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014 and are also not disqualified to be a Director under the relevant provisions of, Section 164 of the Companies Act, 2013 and SEBI (MF) Regulations 1996, etc.

(b) After Board's identification as above, unless the Independent Director is appointed initially as an Additional Director, the candidature of such person shall be submitted to the next General Meeting for approval of the appointment by following the procedure

contained under Section 160 of the Companies Act, 2013. All shareholders will be eligible to elect the Independent Directors. The initial term of Independent Directors will be 5 consecutive years extendable to one more term of 5 consecutive years by passing a Special Resolution at the General Meeting. In any case, the total term shall not exceed 10 years in terms of Companies Act 2013.

- (c) After approval of Independent Directors' appointment, a formal appointment letter with contents prescribed under Schedule IV of the Companies Act, 2013 will be issued to the Independent Directors so appointed.
- (a) In terms of Article 170(b)(iii), the Bank will ensure that atleast one of the Directors on the Board has stayed in India for total period of not less than 182 days during the previous calendar year.
- (f) The intermittent vacancy of an Independent Director shall be filled up by the Board at the earliest but not later than immediate next Board Meeting or 3 months from the date of such vacancy, whichever is later.

### **Purpose of evaluation**

The purposes of the evaluation process by NRC, CID and Board is to assist them in:

- Improving the performance of Board/Committee towards corporate goals and objectives.
- Assessing the balance of skills, knowledge and experience on the Board.
- Identifying the areas of concern and areas to be focussed for improvement.
- Identifying and creating awareness about the role of Directors individually and collectively as Board/Committee.
- Building Team work among Board/Committee members.
- Effective Coordination between Board and Management.
- Overall growth of the organisation.
- understand and recognize what is working well
- discuss and agree on priorities for change which can be addressed in the short-and-long-term;
- agree on an action plan

Appraisal of Board's performance includes fixing up of individual and collective roles and responsibilities of its directors, creating awareness among Directors about their expected level of performance and thereby improving the effectiveness of the Board. Board evaluation contributes significantly to improved performance at three levels - organizational, Board and individual Board member level. It also improves the leadership, teamwork, accountability, decision-making, communication and efficiency of the board. A commitment to annual evaluation is powerful change agent.

## **RESPONSIBILITY**

### **— Responsibility of the Board**

The chairperson of the board, supported by a Company Secretary shall organise the evaluation process and accordingly conclude the steps required to be taken. The evaluation process will be used constructively as a system to improve the directors' and committees' effectiveness, to maximise their strength and to tackle their shortcomings.

The Board of Directors shall undertake the following activities on an annual basis

— The board as a whole shall discuss and analyze its own performance during the year together with suggestions for improvement thereon, pursuant to the performance objectives.

— Review performance evaluation reports of various committees along with their suggestions on improving the effectiveness of the committee. Also, the requirement of establishing any new committees shall be reviewed by the Board on an annual basis.

— Review the various strategies of the company and accordingly set the performance objectives for directors.

— Ensure that adequate disclosure is made with regard to performance evaluation in the Board's Report.

**— Responsibility of the Nomination & Remuneration Committee**

It shall evaluate the performance of individual Directors of the Company as per its terms of reference and the Nomination and Remuneration Policy of the Company framed in accordance with the provisions of section 178 of the Companies Act, 2013.

**— Responsibility of Independent Directors**

Independent Directors are duty bound to evaluate the performance of non-independent directors and Board as a whole. The independent directors of the Company shall hold at least one meeting in a year to review the performance of non-independent directors, performance of the chairperson of the Company and Board as a whole, taking into account the views of executive directors and non-executive directors.

The independent directors at their separate meetings shall :

(a) review the performance of non-independent directors and the Board as a whole;

(b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;

(c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

— Evaluation of Independent Director shall be carried on by the entire Board of Directors of the Company except the Director getting evaluated

**Performance Evaluation of Individual Directors by the Board**

- (i) In terms of the provisions of Schedule IV (Para VIII) and Section 134(1)(p) of the Companies Act, 2013, performance evaluation of the directors individually shall be done annually by the Board of Directors in the first meeting after the end of the Financial Year or at any meeting in the Financial Year at the discretion of the Chairperson.
- (ii) The performance evaluation of individual Directors except MD & CEO and Chairperson by the Board shall be done on the evaluation sheet as per the format given at Annexure I to this Policy. The performance evaluation of MD & CEO by the Board shall be done on the evaluation sheet as per the format given at Annexure III and performance evaluation of Chairperson shall be done on the evaluation sheet as per the format given at Annexure IV to this Policy. The Performance Review of the Board as a whole shall be as per format given at Annexure V.
- (iii) On the basis of the report of performance evaluation, the Board/Chairperson will determine whether to extend or dis-continue the term of appointment of Independent Directors.

**Performance Review of Non Independent Directors, Executive Directors, the Chairperson by Independent Directors and the Board as a whole.**

- (i) In terms of the provisions of Schedule IV (Para VII) of the Companies Act, 2013, Independent Directors shall hold an Annual Meeting once in every Financial year without the attendance of Non Independent Directors and members of the Management and review the performance of Non Independent Directors.
- (ii) The Independent Directors shall also review the performance of Chairperson of the Company taking into account the views of Executive Director and Non Executive Directors. The Performance of the Executive Director shall be reviewed after taking into account the views of the other Directors.
- (iii) The performance review of Non Independent Directors by Independent Directors shall be done on the review sheet as per the format given at Annexure II, of the MD & CEO on the review sheet as per the format given at Annexure III and that of Chairperson of the Company will be done on the format given at Annexure IV. The Performance Review of the Board as a whole shall be as per format given at Annexure V.

**Performance Review of Individual Directors by Nomination and Remuneration Committee.**

The Nomination and Remuneration Committee shall oversee the performance evaluation of Board, its Committees and Individual Directors conducted by the Committee of Independent Directors and the Board as per their respective terms of reference. The Nomination and Remuneration Committee shall on completion of the evaluation process by the Board as well as the Committee of Independent Directors, in its next meeting and report the same to the Board.

The NRC also to consider the said evaluations of the directors at the time of expiry of the term of the Independent Directors for a decision on their renewal and suitably recommend to the Board. The minimum average score for recommendation to the Board to take a view shall be 3.

**Self appraisal by Audit Committee, Committee of Independent Directors and Nomination and Remuneration Committee**

The Self Appraisal by Audit Committee, Committee of Independent Directors and Nomination and Remuneration Committee shall be done on the review sheet as per the format given at Annexure IX

**Performance Review of the Committees by the Board**

The performance review of Audit Committee by Board shall be done on the review sheet as per the format given at Annexure VI, of the Committee of Independent Directors on the review sheet as per the format given at Annexure VII and of the Nomination and Remuneration Committee on the review sheet as per the format given at Annexure VIII

**Rating process and criteria**

- (i) The forms shall be handed over to the Chairperson at the meeting wherein the performance of the Director or Board is proposed to be evaluated.
- (ii) The Director whose performance is being evaluated shall excuse himself from the room at that time.

(iii) The effectiveness rating band shall be of scale 1 to 5 with 1 being the least effective and 5 the most effective. (Decimals allowed upto 1 digit i.e. 4.5 or 3.2).

(ii) The effectiveness rating shall be provided on each parameter with respect to the Director based on the above scale.

(iii) The ratings allotted shall be calculated as average of the total parameters.

(iv) The average marking scheme with respect to the performance of Directors shall be as under

Rating band	Performance criteria
Upto 1	Very Poor
Above 1 and upto 2	Poor
Above 2 and upto 3	Satisfactory
Above 3 and upto 4	Good
Above 4 and upto 5	Excellent

The minimum average score for being considered for continuation as director shall be 3

(v) The average marking scheme with respect to the attendance of Directors shall be as under

Criteria	Marks
If the Director has attended the maximum number of Board meetings as required under Companies Act 2013	5
If the Director has not has attended the minimum number of Board meetings as required under Companies Act 2013	0

### **Process for Performance evaluation of Directors:**

#### **The process for performance evaluation is as under:**

- The respective Committees i.e. ACB, NRC, CID etc. to conduct self appraisal of its performance and submit their evaluation sheets, through the Company Secretary of the Company, to the CID/Board in a sealed envelope.
- Committee of Independent Directors evaluates the performance of Non-Independent Directors including Chairperson of the Company taking into account the views of Executive Director and Non-Executive Director, if any and also of the Board as a whole.
- The Committee of Independent Directors shall report to the Board of such evaluation. The Board may evaluate the performance of the Non-Independent Directors, excluding the director being evaluated, either independently or considering the evaluation of the Committee of Independent Directors.
- The Board shall evaluate the performance of the Independent Directors excluding the director being evaluated and of the Board as a whole as well as the committees of the Board.
- The evaluation will be carried out by means of assigning rating, within the effectiveness rating band scale of 1 to 5, to each of the key attributes/parameters of the Directors, quality of interactions among them and its effectiveness etc. The ratings allotted shall be calculated as average of the total parameters.
- The Nomination and Remuneration Committee shall oversee the performance evaluation of Board, its Committees and Individual Directors conducted by the Committee of Independent Directors and the Board as per their respective terms of reference. The Nomination and Remuneration Committee shall on completion of the evaluation process by the Board as well as the Committee of Independent Directors, in its next meeting and report to the Board.



- The NRC to consider the said evaluations of the directors at the time of expiry of the term of the Independent Directors for a decision on their renewal and suitably recommend to the Board. The minimum average score for recommendation to the Board to take a view shall be 3.

**Review:**

The Policy shall be reviewed by the Board once in three years or at such intervals as may be required at the discretion of the Chairperson of the Board or any changes required under the applicable laws.

**Record keeping:** The AMC shall maintain records of evaluation sheets perpetually and shall minute the results of the evaluation

The policy shall be effective from 2016-17.

## ANNEXURE I

### PERFORMANCE EVALUATION OF DIRECTORS AT BOARD MEETING HELD ON \_\_\_\_\_ FOR THE FINANCIAL YEAR

- I) Name of Director:  
II) DIN:  
III) Age (Date of Birth):  
IV) Category of Director:  
V) Date of appointment:  
VI) Date of completion of Tenure:  
VII) Committee Memberships

Name of committee	Member/Chairperson

#### PERFORMANCE EVALUATION

##### 1. Position of Attendance in Board/Committee Meetings during the Review Period

Name of	Number of Meetings	Number of Meetings
Board/Committee	held	Attended

Please give the effectiveness Rating on scale of 1 to 5, with 1 being the least effective and 5 the most effective. (Decimals allowed upto 1 digit i.e. 4.5 or 3.2). Applicable from Point No. 2

2. Constructive and active participation in Meetings and exercising duties with due/reasonable care, skill, and diligence and exercise of independent judgement
1. Level of contribution in Meetings/deliberations in respect of matters falling under Director's expertise area, development of strategy and to risk management:
2. Quality of Director's knowledge and familiarity with the business/operations of the Company.
3. Whether the Director unfairly obstructs the functioning of an otherwise proper Board/Committee
4. Whether the Director comes well prepared and informed for the Board / committee meeting(s).
5. Whether Director demonstrates a willingness to devote time and effort to understand the Company and its business

6. Director's ability to remain focused at a governance level in Board/ Committee meetings
7. Level of understanding governance, regulatory, financial, fiduciary and ethical requirements of the Board /Committee.
8. Whether the director acts within his authority and in good faith to promote Company's objects, assists in protecting legitimate interests of the Company, Stakeholders, Employees, Community and for protection of environment.
9. Whether the Director helps protect Corporate Governance as well as compliance spirit during deliberations in the meetings and ensure compliance with the memorandum and articles of association and applicable laws.
10. Level of not disclosing Company's confidentiality including commercial secrets, Meetings decisions/deliberations, Company's Strategic plans, unpublished Price Sensitive Information Etc.
11. Level of Disclosure of Interest, transparency during deliberations in meetings, not involving in situations in which he may have direct/indirect interest that conflicts or possibly may conflict with Company's interests
12. Whether the Director conducts himself with integrity and does not achieve or attempts to achieve any undue gain or advantage directly or indirectly from the Company
13. Quality of conducting Meetings as Chairperson of Committee(s), if any.
14. Whether attended the General Meetings including Annual General meetings of the Company.  
Yes/No
15. Relationship with other Directors on the Board
16. How effectively have they probed to test information and assumptions? Where necessary, how resolute are they in maintaining their own views and resisting pressure from others. How effectively and proactively have they followed up their areas of concern
17. How actively and successfully do they refresh their knowledge and skills and are they up to date with the latest developments in areas such as corporate governance framework and financial reporting, the industry and market conditions?
20. Whether Director listens and takes on Board the views of other members of Board.

21. General Remarks of Board in R/O the Director, if any.

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**Signature & Date;**

**Name of the Chairperson of Board:**

## ANNEXURE II

### PERFORMANCE EVALUATION OF NON-INDEPENDENT DIRECTORS AT THE COMMITTEE OF INDEPENDENT DIRECTOR'S MEETING HELD ON    FOR THE FINANCIAL YEAR

- I) Name of Director:
- II) DIN:
- III) Age (Date of Birth):
- IV) Category of Director:
- V) Date of appointment:
- VI) Date of completion of Tenure:
- VII) Committee Memberships

Name of committee	Member/Chairperson

#### **PERFORMANCE EVALUATION**

##### 1. Position of Attendance in Board/Committee Meetings during the Review Period

<u>Name of Board/Committee</u>	<u>Number of Meetings held</u>	<u>Number of Meetings Attended</u>

Please give the effectiveness Rating on scale of 1 to 5, with 1 being the least effective and 5 the most effective. (Decimals allowed upto 1 digit i.e. 4.5 or 3.2). Applicable from Point No. 2

- 1. Constructive and active participation in Meetings and exercising duties with due/reasonable care, skill, and diligence and exercise of independent judgement
- 2. Level of contribution in Meetings/deliberations in respect of matters falling under Director's expertise area, development of strategy and to risk management:
- 3. Quality of Director's knowledge and familiarity with the business/operations of the Company.
- 4. Whether the Director unfairly obstructs the functioning of an otherwise proper Board/Committee
- 5. Whether the director acts within his authority and in good faith to promote Company's objects, assists in protecting legitimate interests of the Company, Stakeholders, Employees, Community and for protection of environment.

6. Whether the Director helps protect Corporate Governance as well as compliance spirit during deliberations in the meetings and ensure compliance with the memorandum and articles of association and applicable laws..
7. Level of not disclosing Company's confidentiality including commercial secrets, Meetings decisions/deliberations, Company's Strategic plans, unpublished Price Sensitive Information Etc.
8. Level of Disclosure of Interest, transparency during deliberations in meetings, not involving in situations in which he may have direct/indirect interest that conflicts or possibly may conflict with Company's interests
9. Whether the Director conducts himself with integrity and does not achieve or attempts to achieve any undue gain or advantage directly or indirectly from the Company
10. Quality of conducting Meetings as Chairperson of Committee(s), if any.
11. Whether attended the General Meetings including Annual General meetings of the Company.  
Yes/No
12. Relationship with other Directors on the Board
13. How actively and successfully do they refresh their knowledge and skills and are they up to date with the latest developments in areas such as corporate governance framework and financial reporting, the industry and market conditions?
14. Whether Director listens and takes on Board the views of other members of Board.
15. General Remarks of Committee of Independent Directors' in R/O Non Independent Directors for improvement if any.

**Signature & Date;**

**Name of the Chairperson of Committee of Independent Directors:**

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### ANNEXURE III

#### PERFORMANCE REVIEW OF THE CHAIRPERSON OF THE BOARD OF IDBI AMC AND AT THE COMMITTEE OF INDEPENDENT DIRECTOR'S MEETING HELD ON

1. Details of the Chairperson

- VII) Name of Chairperson:  
VIII) DIN:  
IX) Age (Date of Birth):  
X) Date of appointment:  
XI) Date of completion of Tenure:

Position of Attendance in Board/Committee Meetings during the Review Period

<u>Name of Board/Committee</u>	<u>Number of Meetings held</u>	<u>Number of Meetings Attended</u>

**Please give the effectiveness Rating on scale of 1 to 5, with 1 being the least effective and 5 the most effective. (Decimals allowed upto 1 digit i.e. 4.5 or 3.2). Applicable from Point No. 2.**

1. Level of strategic plan covering Business Strategies, operational milestones to be achieved by the Company introduced by the Chairperson
2. Level of Chairperson's participation and concerns expressed during meetings for enhancing the performance of the Company:
3. Chairperson's leadership abilities, participation of Management etc.
4. Prompting/Eliciting the comments/contributions of other Directors as as to enhance the quality of deliberations in the Meetings.
5. Chairperson's approach towards Corporate Compliance culture in the Company by involvement of Employees and Directors for the same.
6. Chairperson's approach towards application and enhancing the Corporate Governance culture in the Company and ensuring compliance with the memorandum and articles of association and applicable laws..
7. Quality of conducting Board/Committee meetings as Chairperson and Interse relationship/communication with other Board Members.

8. The Chairperson actively and effectively manages shareholder, board, management and employee relationships and interests and promotes a sense of participation in all the Board meetings.
9. Views of Executive Director about Chairperson as expressed to the Independent Directors, if any.
10. View of other Non-Executive Directors about Chairperson as expressed to the Independent Directors, if any.
11. General Remarks of the Independent Directors Committee in respect of the Chairperson.

Signature & Date:

Name of the Chairperson of Committee of Independent Directors/Board:



#### **Annexure IV**

### **PERFORMANCE EVALUATION OF THE BOARD EFFECTIVENESS OF THE BOARD AS A GROUP**

Please give the effectiveness Rating on scale of 1 to 5, with 1 being the least effective and 5 the most effective. (Decimals allowed upto 1 digit i.e. 4.5 or 3.2)

BOARD EFFECTIVENESS FACTOR		EFFECTIVENESS RATING
<b>PART I: DEGREE OF FULFILMENT OF THE BOARD'S RESPONSIBILITIES</b>		
1	The Board devotes sufficient time to discussions related to the Company's Mission, Vision and Values and to the setting of its strategy and long term objectives. Its discussions and advice on key issues throughout the year reflect its understanding of the Company's vision and strategies.	
2	The Board's ability to ensure the integrity of Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.	
3	The Board's ability to provide strategic guidance to the Company; ensure effective monitoring of the management and its accountability to the Company and its shareholders.	
4	The Board reviews and adopts an annual operating plan, Company's corporate strategy, major plans of action, effectively monitors Company performance against the plan throughout the year and ensures corrective action is taken if deviations occur. In reviewing company performance, the Board considers benchmarking the performance with peer companies/benchmarks, setting of performance objectives; to monitor implementation and corporate performance; and to oversee major capital expenditures, acquisitions, divestments, etc	
5	Whether the Board ensures that when committees of the Board are established, their terms of reference, composition, etc. are well defined and disclosed.	
6	The Board and/or the Audit Committee are vigilant in regularly reviewing the management of key risks and their mitigation. It ensures that the Company's control systems and procedures are adequate and are regularly updated to keep exposure within acceptable limits.	
7	The Board and /or Nomination & Remuneration Committee regularly review the correlation between pay and company performance and ensure corrective action where necessary	
<b>PART II – QUALITY OF THE BOARD – MANAGEMENT RELATIONSHIPS</b>		
8	The Board has discussed and clarified its role vis-à-vis	

	the management, i.e. it has defined the respective boundaries of the Board and management powers. In its interactions with the management, the Board is vigilant to take into account and defend the interests of all stakeholders.	
9	The Board ensures that it has adequate opportunities to be exposed to the Company's management, staff, products and operations.	
10	The Board tries to maintain an appropriate balance in its discussions, between reviewing the past, addressing current issues, planning for tomorrow and anticipating the future.	
11	The Board's ability to step back to assist Executive Management by challenging the assumptions underlying, strategy, strategic initiatives, risk appetite, exposures and key areas of Company's focus.	
12	The Board and/or the Nomination & Remuneration Committee discuss and review the performance of the CEO against his stated objectives. They also review the capabilities and performance of the members of the senior management team.	
13	<p>The Board's ability</p> <p>a) to monitor the effectiveness of Company's Governance Practices and make changes as needed</p> <p>The Board's ability to effectively</p> <p>set up Corporate Culture and Values by which the Company's personnel should behave and encourage continuous Directors' training to ensure that Board Members are kept up to date.</p> <p>b) to apply high ethical standards and takes into account the interest of stakeholders, besides exercising objective independent judgement on corporate affairs.</p> <p>c) To conduct itself so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture for good decision making.</p>	
<b>PART III – EFFECTIVENESS OF THE BOARD PROCESSES AND MEETINGS</b>		
14	The frequency, duration and scheduling of Board/Committee meetings are adequate to ensure proper coverage of all Board's/Committee's responsibilities. Board/Committee members receive meeting material sufficiently in time and the same is adequate in terms of relevance, information detail and "reader-friendliness". The agenda is realistic in terms of the topics to be discussed in the time available and is managed effectively, given the relative importance of the topics under discussion.	

15	The Board's ability to monitor and manage potential conflict of interest of management, Board members and shareholders including misuse of Corporate assets and abuse in Related Party Transactions	
16	Board/Committee members make an attempt to attend all Board/committee meetings and they generally come well informed of the agenda and well prepared on the issues to be discussed.	
17	Board/committee meetings are conducted in a manner that ensures open communication, meaningful participation and timely resolution of issues. There is sufficient opportunity for critical thinking and incisive questioning.	
18	All Board/Committee members feel free to speak their mind without having to suppress their feelings and to contribute effectively to the issues being discussed on the basis of their particular area of expertise. The CEO feels comfortable discussing bad news, anticipated bad news and risks with the Board.	
19	The ambience of the Boardroom is conducive to learning from one another and improving the Board's effectiveness.	

Overall rating:

**Signature & Date:**

**Name of the Chairman of Board:**

**Annexure V**

**ANNUAL PERFORMANCE EVALUATION OF AUDIT COMMITTEE OF BOARD (ACB)**

Please give the effectiveness Rating on scale of 1 to 5, with 1 being the least effective and 5 the most effective. (Decimals allowed upto 1 digit i.e. 4.5 or 3.2)

ACB EFFECTIVENESS FACTOR		EFFECTIVENESS RATING
1	Whether ACB is effectively discharging its roles and responsibilities provided under the Companies Act and all mandatory reviews are being regularly submitted to its meetings.	
2	The ACB's ability to oversee Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements conform to the prescribed standards and reflect effective internal controls existing in the Company	
3	The ACB's ability to consider and approve the Audit process which effectively identifies and assesses the organization's key risks for their mitigation.	
4	Whether the composition of ACB conforms to prescribed Statutory/ Regulatory guidelines and members have the requisite qualifications to be able to meet the objectives of the ACB's charter.	
5	Whether ACB meets as per the prescribed frequency and its minutes are regularly reported to the Board.	
6	Whether ACB meetings devote appropriate time deliberating on matters brought to it from effective Corporate Governance and Compliance Culture angle	
7	Whether the ACB facilitates the Independent Directors to perform their role effectively as an ACB member during ACB meetings.	
8	Whether the Audit Committee meetings are conducted in a manner that ensures open communication, meaningful participation and timely resolution of issues. There is sufficient opportunity for critical thinking and incisive questioning.	

**General Remarks and suggestion for improvement of the Committee's performance, if any**

.....  
.....

<u>Signature</u>
Chairperson of the Board

- (i) Financial Year for which Evaluation done: .....
- (ii) Date of Board Meeting in which Evaluation Done: .....

**Annexure VI**

**ANNUAL PERFORMANCE EVALUATION OF COMMITTEE OF INDEPENDENT  
DIRECTORS OF  
BOARD (CID)**

Please give the effectiveness Rating on scale of 1 to 5, with 1 being the least effective and 5 the most effective. (Decimals allowed upto 1 digit i.e. 4.5 or 3.2)

CID EFFECTIVENESS FACTOR		EFFECTIVENESS RATING
1	The CID's ability to review the performance of Non-Independent Directors and the Board as a whole.	
2	The CID's ability to review the performance of Chairperson of the Company taking into account views of Executive and Non-Executive Directors of the Company.	
3	The CID's ability to assess the quality, quantity and timeliness of flow of information from the Management to the Board for the Board to effectively and reasonably perform their duties.	
4	Whether the CID met the required number of times as per statutory requirements during the Financial Year.	
5	Whether the CID meetings are conducted in a manner that ensures open communication, meaningful participation and timely resolution of issues. There is sufficient opportunity for critical thinking and incisive questioning.	

**General Remarks and suggestion for improvement of the Committee's performance, if any**

.....

**Signature  
Chairperson of the Board**

- (i) Financial Year for which Evaluation done: .....
- (ii) Date of Board Meeting in which Evaluation Done: .....

**Annexure VII**

**ANNUAL PERFORMANCE EVALUATION OF NOMINATION & REMUNERATION  
COMMITTEE  
OF BOARD (NRC)**

Please give the effectiveness Rating on scale of 1 to 5, with 1 being the least effective and 5 the most effective. (Decimals allowed upto 1 digit i.e. 4.5 or 3.2)

NRC EFFECTIVENESS FACTOR		EFFECTIVENESS RATING
1	The NRC's ability to recommend remuneration Policy of the Company to the Board in terms of the Companies Act, 2013 requirement.	
2	Whether NRC facilitates the Independent Directors to perform their role effectively as NRC members during NRC meetings.	
3	Whether the NRC meetings are conducted in a manner that ensures open communication, meaningful participation and timely resolution of issues. There is sufficient opportunity for critical thinking and incisive questioning.	
4	The NRC's ability to undertake the process of due diligence to determine the 'fit and proper' status of the persons to be elected as Directors by shareholders.	
5	The NRC's ability to recommend formulation of Directors' Appointment and Evaluation Policy in terms of the Companies Act, 2013 requirement.	
6	Whether the composition of NRC conforms to prescribed Statutory/ Regulatory guidelines	

**General Remarks and suggestion for improvement of the Committee's performance, if any**

.....  
.....

**Signature**  
**Chairperson of the Board**

(iii) Financial Year for which Evaluation done: .....

(iv) Date of Board Meeting in which Evaluation Done: .....

**Annexure XIII**

**Self appraisal by Audit Committee, Committee of Independent Directors and Nomination and Remuneration Committee**

<b>Function and Duties</b>		
1	The Committee of the Board are appropriately constituted.	
2	The terms of reference for the committee are appropriate with clear defined roles and responsibilities.	
3	Observing Committees terms of reference.	
4	The composition of the committee is in compliance with the legal requirement.	
5	The amount of responsibility delegated by the Board to each of the committees is appropriate.	
6	The reporting by each of the Committees to the Board is sufficient.	
7	Whether the terms of reference are adequate to serve committee's purpose?	
8	The committee regularly reviews its mandate and performance	
9	Committee takes effective and proactive measures to perform its functions	
10	Whether the Committee is effectively discharging its roles and responsibilities provided under the Companies Act and all mandatory reviews are being regularly submitted to its meetings.	
<b>Management Relations</b>		
11	Committee gives effective suggestion and recommendation.	
12	Committee meetings are conducted in a manner that encourages open Communication and meaningful participation of its members.	
<b>Committee Meetings and Procedures</b>		
13	Committee meetings have been organized properly and appropriate procedures were followed in this regard?	
14	The frequency of the Committee meetings is adequate	
15	Committee makes periodically reporting to the Board along with its	



	suggestions and recommendations.	
16	Whether the Committee meetings are conducted in a manner that ensures open communication, meaningful participation and timely resolution of issues with sufficient time spent on significant matters. There is sufficient opportunity for critical thinking and incisive questioning. Committee gives effective suggestion and recommendation.	
17	The frequency, duration and scheduling of Committee meetings are adequate to ensure proper coverage of all Committee's responsibilities. Committee members receive meeting material sufficiently in advance and the same is adequate in terms of relevance, information detail and "reader-friendliness". The agenda is realistic in terms of the topics to be discussed in the time available and is managed effectively, given the relative importance of the topics under discussion	
18	The Committee's ability to recommend Policies policy of the Company to the Board	

Overall rating

Comment

Please suggest things that could improve Committee's performance.