



**J&K BANK PERFORMANCE EVALUATION POLICY  
{FOR THE BOARD AND MEMBERS OF THE BOARD}**

**VERSION: 2**

**Index**

| <b>Para No.</b> | <b>Contents</b>               | <b>Page No.</b> |
|-----------------|-------------------------------|-----------------|
| 1               | Introduction                  | 2               |
| 2               | Objective                     | 2               |
| 3               | Definitions & Interpretations | 2               |
| 4               | Evaluation Mechanism          | 2               |
| 5               | Evaluation Process            | 3               |
| 6               | Disclosure of Policy          | 11              |
| 7               | Frequency of Board Evaluation | 11              |
| 8               | Responsibility                | 11              |
| 9               | Review                        | 11              |
| 10              | Conflict in Policy            | 12              |
| 11              | Amendments/modifications      | 12              |

## 1. Introduction

Jammu & Kashmir Bank Limited (“**the Company**” or “**the Bank**”) conducts its operations under the overall direction of the Board of Directors within the framework laid down by various statutes, more particularly by the Companies Act, 2013, the Banking Regulation Act, 1949, Articles of Association of the Company, SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), internal code of conduct and other policies formulated by the Bank, from time to time, for its internal execution.

As one of the most important functions of the Board of Directors is to oversee the functioning of Bank’s top management, this Board Performance Evaluation process aims to ensure that individual directors (“**Directors**”) and the Board of Directors of the Bank (“**Board**”) as a whole work efficiently and effectively in achieving Bank’s objectives. This policy aims at establishing a procedure for the Board to conduct periodic evaluation of its own performance and of its committees and individual directors. Hence it is important that every individual Board Member effectively contributes in the Board deliberations. The evaluation process will be used constructively as a system to improve the Board and committees effectiveness, to maximize their strength and to tackle shortcomings, if any.

Therefore, the Bank has made this policy to comply with the various provisions of the Listing Regulations and the Companies Act, 2013, with respect to evaluation of the performance of the Board, its committee and individual Directors.

## 2. Objective

The objective of this policy is to formulate the procedure and also to prescribe and lay down the criteria to evaluate the performance of the entire Board, each individual Director, and the committees of the Board of the Bank.

## 3. Definitions & Interpretations:

- 3.1 The term “**Director**”/“**Board Members**” shall mean Directors on the Board of Directors of the Bank.
- 3.2 The terms “**Whole-time Director**” / “**Executive Director**” shall mean Director on the Board of Directors of the Bank who is in whole-time employment of the Bank, including the Chairman & Chief Executive Officer of the Bank.
- 3.3 The term “**Non-Executive Director**” shall mean Directors on the Board of Directors of the Bank who are not in whole time employment of the Bank.
- 3.4 The term “**Performance evaluation Policy**” or “**Policy**” shall mean “J&K Bank Performance Evaluation Policy pursuant to Section 178 of the Companies Act, 2013.
- 3.5 The term “**Committee**” or “**NRC**” shall mean “The Nomination and Remuneration Committee of the Board of Directors of the Bank.
- 3.6 In “**this policy**” words imparting the masculine shall include feminine and words imparting singular shall include the plural or vice versa.
- 3.7 The term “**the Company**” shall mean the Jammu & Kashmir Bank Limited.
- 3.8 The term “**the Board**” shall mean Board of Directors of the Jammu & Kashmir Bank Limited.

## 5. Evaluation Mechanism

- 5.1 In conformity with the statutory requirement, the performance evaluation of all the independent directors shall be done by the NRC, which shall submit its report to the Board for necessary comments and suggestive course of action arising out of the evaluation.

- 5.2 Independent Directors shall evaluate the performance of non-independent directors and Board as a whole and shall submit its report to the Board for necessary comments and suggestive course of action arising out of the evaluation.
- 5.3 The performance evaluation of the Committees of the Board shall be conducted by the entire Board.
- 5.4 Atleast one Meeting of the Independent Directors on the Board of the Bank shall be held every year to review the performance of non-Independent directors including the Chairman and the Board as a whole.

## 5. Evaluation Process

The performance evaluation process shall consist of the following:

- Setting-up evaluation objective
- Evaluation criteria and questionnaire
- Circulation of questionnaire
- Assessment
- Action Plan

### i. Setting-up evaluation objective

Identifying and setting-up the objectives of the evaluation is the first and a crucial step in the Board Evaluation process. Clear identification of objectives is key to streamlining the process of evaluation, analyzing the results and taking appropriate and corrective action.

The key objectives of the evaluation process are to assess the following

- Composition of the Board and its Committees,
- Role & responsibilities of Board and its Committee
- Diversity of the Board,
- Implementation of the Board processes
- Contribution of Board & Committee members
- Frequency of meetings of board and its Committees,
- Proper and adequate flow of information throughout the board level,
- Proper delegation of powers and well-defined terms of reference and reporting requirement of Committees.
- Independence of Board & Committee's and its members
- Knowledge and competency of Board members
- Corporate Governance

### ii. Evaluation criteria and questionnaire

The NRC shall have the primary responsibility to formulate the criteria of evaluation in consultation with the Board. An indicative criteria that may be used for performance evaluation of Board/Committee/Directors are as under:-

#### a) Performance Evaluation of Board as a whole

Based on the below criteria, Board shall be assessed by Independent Directors as to whether Board of the Bank is a professional and an active Board which meets frequently during the year to chart out policies and practices, ensuring that principles of Corporate Governance,

both as imbibed in law and regulations and those expected by stakeholders, are religiously and voluntarily complied with and the stakeholder's interests are kept at utmost high level

| S. No     | Particulars                                 | Assessment Criteria  |
|-----------|---|--|
| <b>a.</b> | <b>Structure of the Board</b>               |  |
|           | Competency of directors                     | Whether Board as a whole has directors with a proper mix of competencies to conduct its affairs effectively.   |
|           | Experience of directors                     | Whether Board as a whole has directors with enough experience to conduct its affairs effectively.  |
|           | Mix of qualifications                       | Whether Board as a whole has directors with a proper mix of qualifications to conduct its affairs effectively.   |
|           | Diversity in Board under various parameters | Gender/background/ competence/experience, etc.<br>- Whether there is sufficient diversity in the Board on the aforesaid parameters   |
|           | Appointment to the Board                    | Whether the process of appointment to the board of directors is clear and transparent and includes provisions to consider diversity of thought, experience, knowledge, perspective and gender in the Board of Directors  |
| <b>b.</b> | <b>Meetings of the Board</b>                |  |
|           | Regularity of meetings                      | Whether meetings are being held on a regular basis.  |
|           | Frequency                                   | 1. Whether the Board meets frequently<br>2. Whether the frequency of such meetings is enough for the Board to undertake its duties properly  |
|           | Logistics                                   | Whether the logistics for the meeting is being handled properly- venue, format, timing, etc.   |
|           | Agenda                                      | <ol style="list-style-type: none"> <li>1. Whether the agenda is circulated well before the meeting;</li> <li>2. Whether the agenda has all relevant information to take decision on the matter;</li> <li>3. Whether the agenda is up to date, regularly reviewed and involves major substantial decisions;</li> <li>4. Whether the quality of agenda and Board papers is up to the mark (explains issues properly, not overly lengthy, etc.);</li> <li>5. Whether outstanding items of previous meetings are followed-up and taken up in subsequent agendas;</li> <li>6. Whether the time allotted for the every item (especially substantive items) in the agenda of the meeting is sufficient for adequate discussions on the subject;</li> <li>7. Whether the Board is able to finish discussion and decision on all agenda items in the meetings</li> <li>8. Whether adequate and timely inputs are taken from the Board members prior to setting of the Agenda for the meeting</li> </ol> |

|           |  |   |
|-----------|--|---|
|           |  | 9. Whether the agenda includes adequate information on Committee's activities.  |
|           | Discussions and dissent                | <ol style="list-style-type: none"> <li>1. Whether the Board discusses every issue comprehensively and depending on the importance of the subject;</li> <li>2. Whether the environment of the meeting induces free-flowing discussions, healthy debate and contribution by everyone without any fear;</li> <li>3. Whether the discussions generally add value to the decision making;</li> <li>4. Whether the Board tends towards group think and whether critical and dissenting suggestions are welcomed;</li> <li>5. Whether all members actively participate in the discussions;</li> <li>6. Whether overall, the Board functions constructively as a team.</li> </ol> |
|           | Recording of minutes                   | <ol style="list-style-type: none"> <li>1. Whether the minutes are being recorded properly- clearly, completely, accurately and consistently.</li> <li>2. Whether the minutes are approved properly in accordance with set procedures.</li> <li>3. Whether the minutes are timely circulated to all the Board members</li> <li>4. Whether dissenting views are recorded in the minutes.</li> </ol>   |
|           | Dissemination of information           | <ol style="list-style-type: none"> <li>1. Whether all the information pertaining to the meeting are disseminated to the members timely, frequently, accurately, regularly</li> <li>2. Whether Board is adequately informed of material matters in between meetings.</li> </ol>  |
| <b>c.</b> | <b>Functions of the Board</b>          |   |
|           | Role and responsibilities of the Board | Whether the same are clearly documented e.g. Difference in roles of Chairman and CEO, Matters reserved for the Board, etc.  |
|           | Strategy and performance evaluation    | <ol style="list-style-type: none"> <li>1. Whether significant time of the Board is being devoted to management of current and potential strategic issues;</li> <li>2. Whether various scenario planning is used to evaluate strategic risks;</li> <li>3. Whether the Board overall reviews and guides corporate strategy, major plans of action, risk policy, annual budgets and business plans, sets performance objectives, monitored implementation and corporate performance, and oversees major capital expenditures, acquisitions and divestments.</li> </ol>   |
|           | Governance and compliance              | 1. Whether adequate time of the Board is being devoted to analyse and examine governance and  |

|  |                                      |   |
|--|--------------------------------------|---|
|  |                                      | <p>compliance issues;</p> <p>2. Whether the Board monitors the effectiveness of its governance practices and makes changes as needed;</p> <p>3. Whether the Board ensures the integrity of the entity'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;</p> <p>4. Whether the Board oversees the process of disclosure and communications;</p> <p>5. Whether the Board evaluates and analyses the compliance certificate from the auditors / practicing company secretaries regarding compliance of conditions of corporate governance.</p> |
|  | Evaluation of Risks                  | <p>1. Whether Board undertakes a review of the high risk issues impacting the organization regularly.</p> <p>2. In assessment of risks, whether it is ensured that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the entity to excessive risk.</p>  |
|  | Grievance redressal for Investors    | Whether the Board regularly reviews the grievance redressal mechanism of investors, details of grievances received, disposed of and those remaining unresolved.   |
|  | Conflict of interest                 | <p>1. Whether the Board monitors and manages potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions.</p> <p>2. Whether a sufficient number of non-executive members of the board of directors capable of exercising independent judgement are assigned to tasks where there is a potential for conflict of interest.</p>   |
|  | Stakeholder value and responsibility | <p>1. Whether the decision making process of the Board is adequate to assess creation of stakeholder value;</p> <p>2. Whether the Board has mechanisms in place to communicate and engage with various stakeholders;</p> <p>3. Whether the Board acts on a fully informed basis, in good faith, with due diligence and care, with high ethical standards and in the best interest of the entity and the stakeholders;</p> <p>4. Whether the Board treats shareholders and stakeholders fairly where decisions of the board of directors may affect different shareholder/</p>   |

|           |  |  |
|-----------|--|--|
|           |  | stakeholder groups differently;<br>5. Whether the Board regularly reviews the Business Responsibility Reporting / related corporate social responsibility initiatives of the entity and contribution to society, environment etc.  |
|           | Corporate culture and values   | Whether the Board sets a corporate culture and the values by which executives throughout a group shall behave.   |
|           | Review of Board evaluation   | Whether the Board monitors and reviews the Board evaluation framework.   |
|           | Facilitation of independent directors                                    | Whether the Board facilitates the independent directors to perform their role effectively as a member of the board of directors and also a member of a committee of board of directors and any criticism by such directors is taken constructively.  |
| <b>d.</b> | <b>Board and Management</b>  |  |
|           | Evaluation of performance of the management and feedback                 | <ol style="list-style-type: none"> <li>1. Whether the Board evaluates and monitors management, especially the CEO regularly and fairly and provides constructive feedback and strategic guidance;</li> <li>2. Whether the measures used are broad enough to monitor performance of the management;</li> <li>3. Whether the management's performance is benchmarked against industry peers;</li> <li>4. Whether remuneration of the management is in line with its performance and with industry peers;</li> <li>5. Whether remuneration of the Board and the management is aligned with the longer term interests of the entity and its shareholders;</li> <li>6. Whether the Board selects, compensates, monitors and, when necessary, replaces key managerial personnel based on such evaluation;</li> <li>7. Whether the Board 'steps back' to assist executive management by challenging the assumptions underlying strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the entity's focus.</li> </ol> |
|           | Independence of the management from the Board                            | Whether the level of independence of the management from the Board is adequate.  |
|           | Access of the management to the Board and Board access to the management | Whether the Board and the management are able to actively access each other and exchange information.  |
|           | Secretarial support  | Whether adequate secretarial and logistical support is available for conducting Board meetings.  |
|           | Fund availability  | Whether sufficient funds are made available to the Board for conducting its meeting effectively, seeking expert advice E.g. Legal, accounting, etc.  |
|           | Succession plan  | Whether an appropriate and adequate succession plan is in place and is being reviewed and overseen regularly by the Board  |



|          |   |   |
|----------|---|---|
| <b>e</b> | <b>Professional development</b>                             |   |
|          | Induction, Training and professional development programmes | i. Whether adequate induction and professional development programmes are made available to new and old directors.<br>ii. Whether continuing directors training is provided to ensure that the members of board of directors are kept up to date. |

### b) Performance Evaluation of Committees of the Board

The performance of Committees of Board shall also be reviewed from time to time. Based on the criteria given below various Committees of the Board shall be assessed by entire Board of the Bank (excluding Members of the Committee whose performance is evaluated) to ensure that all committees performs their roles & functions within their assigned delegations.

| S. No | Particulars                                  | Assessment Criteria  |
|-------|--|--|
| a.    | Mandate and composition                      | Whether the mandate, composition and working procedures of committees of the board of directors is clearly defined and disclosed.  |
| b.    | Effectiveness of the Committee               | Whether the Committee has fulfilled its functions as assigned by the Board and laws as may be applicable.  |
| c.    | Structure of the Committee and meetings      | i. Whether the Committees have been structure properly and regular meetings are being held.<br>ii. In terms of discussions, agenda, etc. of the meetings, similar criteria may be laid down as specified above for the entire Board. |
| d.    | Independence of the Committee from the Board | Whether adequate independence of the Committee is ensured from the Board.  |
| e.    | Contribution to decisions of the Board       | Whether the Committee's recommendations contribute effectively to decisions of the Board.  |

### c) Performance Evaluation of Individual Directors

Based on their qualification, expertise, track record, integrity and other criteria mentioned below, each of the Directors /Whole time Directors/Chairman &CEO shall be assessed to ascertain whether the said person is suitable for holding directorship in the Bank.

| S. No          | Particulars              | Assessment Criteria  |
|----------------|--------------------------|--|
| <b>GENERAL</b> |                          |  |
| a.             | Qualifications           | Details of professional qualifications of the Director.  |
| b.             | Experience/track record  | Details of prior experience/track record of the Director, especially the experience relevant to the entity.  |
| c.             | Knowledge and Competency | i. How the Director fares across different competencies for effective functioning of the entity and the Board.<br>ii. Whether the Director has sufficient understanding and knowledge of the Bank and the Banking sector as a whole. |

|   |   |  |
|---|---|--|
| d.  | Fulfillment of functions                                      | Whether the Director understands and fulfills the functions to him/her as assigned by the Board and the law.   |
| e.  | Ability to function as a team                                 | Whether the Director is able to function as an effective team- member.   |
| f.  | Initiative  | Whether the Director actively takes initiative with respect to various areas.  |
| g.  | Availability and attendance                                   | Whether the Director is available for meetings of the Board and attends the meeting regularly and timely, without delay.   |
| h.  | Commitment  | Whether the Director is adequately committed to the Board and the entity.  |
| i.  | Contribution  | Whether the Director contributed effectively to the entity and in the Board meetings.  |
| j.  | Integrity   | Whether the Director demonstrates highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.)  |
| <b>ADDITIONAL CRITERIA FOR INDEPENDENT DIRECTOR</b> |   |  |
| a.  | Independence  | Whether Director is independent from the entity and the other directors and there is no conflict of interest.  |
| b.  | Independent views and judgement                               | Whether the Director exercises his/ her own judgement and voices opinion freely.   |
| <b>ADDITIONAL CRITERIA FOR CHAIRMAN &amp; CEO:</b>  |   |  |
| a.  | Effectiveness of leadership and ability to steer the meetings | Whether the Chairman & CEO displays efficient leadership, is open-minded, decisive, courteous, displays professionalism, able to coordinate the discussion, etc. and is overall able to steer the meeting effectively and works effectively with the Board as a whole. |
| b.  | Impartiality  | Whether the Chairman & CEO is impartial in conducting discussions, seeking views and dealing with dissent, etc.  |
| c.  | Commitment  | Whether the Chairman & CEO is sufficiently committed to the Board and its meetings.  |
| d.  | Ability to keep shareholders' interests in mind               | Whether the Chairman & CEO is able to keep shareholders' interest in mind during discussions and decisions.  |

The NRC in consultation with the Board shall prepare a questionnaire for evaluating the performance of Board, its committee and individual Directors, on all or any of the evaluation criteria's, as mentioned above.

### iii. Circulation of Questionnaire

The Chairman of the NRC with the assistance of the Company Secretary and/or any other personnel as may be authorized by him, shall circulate, either in writing or email, the detailed questionnaire with respect to the performance of Board, its committee and individual directors to all the Directors. All the Directors will fill the questionnaire and submit the same to the Chairman of NRC either through email or in writing in a sealed envelope. With respect to the questionnaire related to evaluation of performance of individual directors, each director will fill the questionnaire for all other directors except himself/herself.

The Chairman of the NRC with the assistance of Company Secretary or such other person, as he deems fit, will collate the responses submitted through the questionnaire and submit the results in the following manner:

- To the Chairman of the Board - with respect to the performance evaluation of independent directors & committee of the Board
- To the meeting of Independent Directors- with respect to the performance evaluation of non-independent directors & the Board

Further, the duly filled in questionnaire shall remain in the safe custody of the Chairman and such documents shall not be available for inspection by any member, board members or any other person unless the Chairman thinks otherwise.

#### **iv. Assessment**

##### **Performance evaluation of Independent Directors**

The Chairman of the Board on the receipt of results collated by the NRC, can adopt any of the following methods:

- Individual discussion with each Director to discuss his/her performance
- Deliberation in the Board with respect to each Director

##### **Performance evaluation of Committee of Board**

The Chairman of the Board on the receipt of results collated by the NRC shall discuss the same with all the Board members

##### **Performance evaluation of non-Independent Directors**

The Independent Directors on the receipt of results collated by the NRC, can adopt any of the following methods:

- Individual discussion with each Director to discuss his/her performance in their meeting
- Collective deliberation in their meeting with respect to all Directors.

Independent Director's may submit a report on the evaluation of non-independent Directors to the Board

##### **Performance evaluation of Board**

The Independent Directors on the receipt of results collated by the NRC, shall deliberate the same in their meeting and submit necessary report to the Board.

#### **v. Action Plan**

Based on the analysis of the responses, the Board, if thinks fit, may prepare an action plan on:

- Areas of improvement including training, skill building, etc. as may be required for Board members
- List of actions required detailing:
  - Nature of actions
  - Timeline

- Person responsible for implementation
- Resources required, etc.
- Review of the actions within a specific time period

The action plan may be prepared by the Board in a comprehensive manner. Suggestions under the external assessment, individual member feedback, etc. may be taken into account while drafting the action plan. The Action Plan so prepared shall be placed before the Board and be circulated to all the board members who are responsible for its implementation. Further, the Board may review the progress of its implementation periodically but not later than the subsequent annual evaluation performance.

## 6. Disclosure of Policy

A statement indicating the manner in which formal evaluation has been done by the Board of its own performance and that of its committees and individual directors shall be included in the report of the Board of Directors placed in the Annual General Meeting and the same shall also be included under the head of 'Corporate Governance' of Annual Report.

## 7. Frequency of Board Evaluation

Board Evaluation will be carried out once a year. Since Board evaluation is a continuous process, the Board of Directors may if felt desirable conduct board evaluation more frequently, if is felt that feedback provided to the members during meetings and otherwise, whether oral or written, is more effective for continuous improvement and ideally complements the annual evaluation process. In order to impart objectivity to the process the Board may also desire to complement the internal assessment with external assessment at regular intervals.

## 8. Responsibility

The responsibility of Board evaluation lies on different persons depending on the subject of evaluation as per Companies Act, 2013 and Listing Regulations. . However, it is found that on a global basis, generally the primary role of steering the whole process of Board evaluation and of ensuring its effectiveness in improving the Board efficiency lies on the Chairperson. Therefore, to achieve maximum benefit of the process, the role and function of Chairperson in Board Evaluation needs to be laid out clearly in advance.

## 9. Review

Board evaluation is not a static process and requires periodical review for improvement. The responsibility of such review of the evaluation process lies with the Board of Directors in accordance with Listing Regulations. Such review may involve the following:

- a. Whether objectives and criteria for evaluation are adequate or needs to be changed/ updated.
- b. Whether the process/method of evaluation is appropriate for individual members, Committees and the Board.
- c. Whether the actions based on the Board evaluation is being followed up on a timely basis.
- d. Whether the Board evaluation has enhanced effectiveness of the Board.
- e. Whether the review of the process is being done on a regular basis.
- f. Whether feedback of the members to improve the process is being taken into account

Such review may be done based on feedback from management, Board members, external assessors, various stakeholders, etc.

Further NRC may time to time undertake review of the Policy and suggest suitable changes to the Board

#### **10. Conflict in Policy:**

In the event of conflict or inconsistency between the provisions of this policy and the provisions of the applicable laws and Listing Regulations, the Policy shall be construed and interpreted in consonance with the applicable rules and Listing Regulations and in the failure of such harmonic interpretation and construction, the regulatory provisions shall prevail.

#### **11. Amendments / modifications:**

To the extent any change/amendment is required in terms of any applicable law or change in Listing Regulations, the Listing Regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law. Such amended policy shall be placed before the Board for noting and necessary ratification.

\*\*\*\*\*

**EVALUATION FORM FOR CHAIRMAN**

| S. No.    | Particulars  | 1 | 2 | 3 | 4 | 5 | Comments |
|-----------|--|---|---|---|---|---|----------|
| <b>A.</b> | <b><i>Managing Relationships</i></b>   |   |   |   |   |   |          |
| 1.        | The Chairman actively manages shareholder, board, management and employee relationships and interests.   |   |   |   |   |   |          |
| 2.        | The Chairman meets with potential providers of equity and debt capital, if required.   |   |   |   |   |   |          |
| 3.        | The Chairman manages meetings effectively and promotes a sense of participation in all the Board meetings.   |   |   |   |   |   |          |
| 4.        | Whether the Chairman is impartial in conducting discussions, seeking views and dealing with dissent, etc.  |   |   |   |   |   |          |
| 5.        | Whether the Chairman is sufficiently committed to the Board and its meetings.  |   |   |   |   |   |          |
| <b>B.</b> | <b><i>Leadership</i></b>   |   |   |   |   |   |          |
| 6.        | Whether the Chairman displays efficient leadership, is open-minded, decisive, courteous, displays professionalism, able to coordinate the discussion, etc. and is overall able to steer the meeting effectively? |   |   |   |   |   |          |
| 7.        | The Chairman promotes effective participation of all Board members in the decision making process.   |   |   |   |   |   |          |
| 8.        | The Chairman promotes the positive image of the Bank.  |   |   |   |   |   |          |
| 9.        | The Chairman promotes continuing training and development of directors.  |   |   |   |   |   |          |
| <b>C.</b> | <b><i>Roles and Responsibilities</i></b>   |   |   |   |   |   |          |
| 10.       | Whether the Chairman affirmed that the Board meetings have been duly convened and constituted in accordance with the Companies Act, 2013 or any other  |   |   |   |   |   |          |

|     |   |  |  |  |  |  |  |
|-----|---|--|--|--|--|--|--|
|     | applicable guidelines, rules and regulations before proceeding to transact the business?  |  |  |  |  |  |  |
| 11. | Whether the Chairman encouraged deliberations and debate and assessed the sense of the meetings?  |  |  |  |  |  |  |
| 12. | Whether the Chairman in case of participation of directors through electronic mode, took due and reasonable care to safeguard the integrity of the meeting by ensuring sufficient security and identification procedures to record proceedings? |  |  |  |  |  |  |
| 13. | Whether the Chairman ensures that the required quorum is present throughout the meeting.  |  |  |  |  |  |  |

|   | <i>Outstanding</i> | <i>Exceeds Expectation</i> | <i>Meets Expectation</i>                         | <i>Needs Improvement</i> | <i>Poor</i> |
|---|--------------------|----------------------------|--|--------------------------|-------------|
| Overall rating of Director Performance  |                    |                            |  |                          |             |
| Comment   |                    |                            |  |                          |             |
| Please Suggest three things that could improve Board's Performance.<br>a)<br>b)<br>c) |                    |                            | Name of Director:<br><br>Signature:<br><br>Date: |                          |             |

**BOARD COMMITTEE EVALUATION QUESTIONNAIRE****NAME OF COMMITTEE :**

| S. No     | Evaluation Criteria  | 1 | 2 | 3 | 4 | 5 | Comments |
|-----------|--|---|---|---|---|---|----------|
| <b>A</b>  | <b><i>Functions and Duties</i></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.        | Terms of reference are clearly followed  |   |   |   |   |   |          |
| 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 the Committee to the Board is sufficient.   |   |   |   |   |   |          |
| 7.        | The performance of the Committee is assessed annually against the set goals of the committee.  |   |   |   |   |   |          |
| 8.        | The committee regularly reviews its mandate and performance.   |   |   |   |   |   |          |
| 9.        | Committee takes effective and proactive measures to perform its functions.   |   |   |   |   |   |          |
| <b>B.</b> | <b><i>Management Relations</i></b>   |   |   |   |   |   |          |
| 10.       | Adequate independence of the Committee is ensured from the Board.  |   |   |   |   |   |          |
| 11.       | Committee gives effective suggestions and recommendations.   |   |   |   |   |   |          |
| 12.       | Committee meetings are conducted in a manner that encourages open communication and meaningful participation of its members.         |   |   |   |   |   |          |
| <b>C.</b> | <b><i>Committee Meetings and Procedures</i></b>  |   |   |   |   |   |          |
| 13.       | Committee meetings have been organized properly and appropriate procedures were followed with respect to pre & post meeting actions? |   |   |   |   |   |          |



|     |   |  |  |  |  |  |  |
|-----|---|--|--|--|--|--|--|
| 14. | The frequency of the Committee meetings is adequate.  |  |  |  |  |  |  |
| 15. | Committee makes periodically reporting to the Board along with its suggestions and recommendations. |  |  |  |  |  |  |

|   | <i>Outstanding</i> | <i>Exceeds Expectation</i> | <i>Meets Expectation</i> | <i>Needs Improvement</i> | <i>Poor</i> |
|---|--------------------|----------------------------|--------------------------|--------------------------|-------------|
| Overall rating of Committee Performance                             |                    |                            |                          |                          |             |
| Comment   |                    |                            |                          |                          |             |
| Please Suggest three things that could improve Board's Performance. |                    |                            | Name of Director:        |                          |             |
| a) .....  |                    |                            | .....                    |                          |             |
| b) .....  |                    |                            | Signature: .....         |                          |             |
| c) .....  |                    |                            | Date: .....              |                          |             |

### Rating Scale: -

Please tick in the appropriate box, where:

- 1 = Outstanding
- 2 = Exceeds Expectation
- 3 = Consistent / Satisfactory
- 4 = Needs improvement
- 5 = Poor

**NON-EXECUTIVE DIRECTOR AND INDEPENDENT DIRECTOR EVALUATION FORM**

**Name of the Director :** .....

**Category :** Independent/Non-executive

| S. No.    | Particulars   | 1 | 2 | 3 | 4 | 5 | Comments |
|-----------|---|---|---|---|---|---|----------|
| <b>A.</b> | <b><i>Participation at Board/Committee Meetings</i></b>   |   |   |   |   |   |          |
| 1.        | Director comes well prepared and informed for the Board / committee meeting(s).                                 |   |   |   |   |   |          |
| 2.        | Director's contributions at Board / Committee meetings are of high quality and innovative.                      |   |   |   |   |   |          |
| 3.        | Devoted sufficient time and attention to his professional obligations for informed & balanced decision making   |   |   |   |   |   |          |
| 4.        | Director's proactively contributes in to development of strategy and to risk management of the Company.         |   |   |   |   |   |          |
| 5.        | Director has ability to remain focused at a governance level in Board/ Committee meetings.                      |   |   |   |   |   |          |
| 6.        | Director understands and fulfills the functions assigned to him/her by the Board                                |   |   |   |   |   |          |
| <b>B.</b> | <b><i>Managing Relationship</i></b>   |   |   |   |   |   |          |
| 7.        | Director's performance and behaviour promotes mutual trust and respect within the Board / Committee.            |   |   |   |   |   |          |
| 8.        | Director is effective and successful in managing relationships with fellow Board members and senior management? |   |   |   |   |   |          |
| <b>C.</b> | <b><i>Knowledge and Skills</i></b>  |   |   |   |   |   |          |

|           |   |  |  |  |  |  |  |
|-----------|---|--|--|--|--|--|--|
| 9.        | Director understands governance, regulatory, financial, fiduciary and ethical requirements of the Board / Committee.  |  |  |  |  |  |  |
| 10.       | Director actively and successfully refreshes his/ her knowledge and skills and up to date with the latest developments in areas such as corporate governance framework, financial reporting and the industry and market conditions. |  |  |  |  |  |  |
| 11.       | Director is able to present his/ her views convincingly yet diplomatically.   |  |  |  |  |  |  |
| 12.       | Director listens and takes on Board the views of other members of Board.  |  |  |  |  |  |  |
| <b>D.</b> | <b><i>Personal Attributes</i></b>   |  |  |  |  |  |  |
| 13..      | Director has maintained high standard of ethics and integrity.  |  |  |  |  |  |  |
| <b>E.</b> | <b><i>Additional criteria's for Independent Directors</i></b>   |  |  |  |  |  |  |
| 14.       | Whether Director is independent from the entity and the other directors and there is no conflict of interest?   |  |  |  |  |  |  |
| 15.       | Whether the Director exercises his/ her own judgment and voices opinion freely?   |  |  |  |  |  |  |
| 16.       | Director has effectively assisted the Company is implementing best corporate governance practice and then monitors the same.  |  |  |  |  |  |  |
| 17.       | Director helps in bringing independent judgment during board deliberations on strategy, performance, risk management etc.   |  |  |  |  |  |  |
| 18.       | Director acts within his authority and assists in protecting the legitimate interest of the Company, Shareholder and employees.   |  |  |  |  |  |  |
| 19.       | Director adheres to the applicable code of conduct for independent directors.   |  |  |  |  |  |  |

|  | <i>Outstanding</i> | <i>Exceeds<br/>Expectation</i> | <i>Meets<br/>Expectation</i> | <i>Needs<br/>Improvement</i> | <i>Poor</i> |
|--|--------------------|--------------------------------|------------------------------|------------------------------|-------------|
| Overall rating of Director<br>Performance                              |                    |                                |                              |                              |             |
| Comment  |                    |                                |                              |                              |             |
| Please Suggest three things that could<br>improve Board's Performance. |                    |                                | Name of Director:            |                              |             |
| a) .....   |                    |                                | .....                        |                              |             |
| b) .....   |                    |                                | Signature:                   |                              |             |
| c) .....   |                    |                                | .....                        |                              |             |
|  |                    |                                | Date:                        |                              |             |
|  |                    |                                | .....                        |                              |             |

**Rating Scale: -**

Please tick in the appropriate box, where:

- 1 = Outstanding
- 2 = Exceeds Expectation
- 3 = Consistent / Satisfactory
- 4 = Needs improvement
- 5 = Poor

**BOARD EVALUATION QUESTIONNAIRE**

Please feel free to include written comments or suggestions in the space provided at the end of the questionnaire.

|           | <b>Evaluation Criteria</b>   | <b>1</b> | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b> | <b>Comments</b> |
|-----------|--|----------|----------|----------|----------|----------|-----------------|
| <b>A.</b> | <b><i>Board Composition &amp; Quality</i></b>  |          |          |          |          |          |                 |
| 1.        | Whether Board as a whole has Directors with a proper mix of competencies to conduct its affairs effectively.   |          |          |          |          |          |                 |
| 2.        | The Board has appropriate combination of industry knowledge and diversity (gender, experience, background, competence).  |          |          |          |          |          |                 |
| 3.        | The process of appointment to the Board of Directors is clear and transparent.   |          |          |          |          |          |                 |
| 4.        | The Role and responsibilities of the Board and its Members are clearly documented.   |          |          |          |          |          |                 |
| 5.        | All the Independent Directors are independent in true letter and spirit i.e. whether the Independent Director has given declaration of independence and they exercise their own judgment, voice their concerns and act freely from any conflicts of interests. |          |          |          |          |          |                 |
| 6.        | Whether Board as a whole has Directors with enough experience and proper mix of qualifications to conduct its  |          |          |          |          |          |                 |

|          |  |  |  |  |  |  |  |
|----------|--|--|--|--|--|--|--|
|          | affairs effectively.   |  |  |  |  |  |  |
| 7.       | The Board Members spend sufficient time in understanding the vision, mission of the company and strategic and business plans, financial reporting risks and related internal controls and provides critical oversight on the same. |  |  |  |  |  |  |
| 8.       | The Board understands the legal requirements and obligations under which they act as a Board; i.e. by laws, corporate governance manual etc. and discharges their functions accordingly.   |  |  |  |  |  |  |
| 9.       | The Board has set its goals and measures its performance against them on annual basis.   |  |  |  |  |  |  |
| 10.      | The Board has defined its stakeholders and has appropriate level of Communication with them.   |  |  |  |  |  |  |
| 11.      | The Board monitors compliances with corporate governance regulations and guidelines.   |  |  |  |  |  |  |
| 12..     | The Board has the proper number of committees as required by legislation and guidelines, with well-defined terms of reference and reporting requirements.  |  |  |  |  |  |  |
| 13.      | Whether the roles and responsibilities of the Board have been completely documented?   |  |  |  |  |  |  |
| <b>C</b> | <b><i>Board Meetings and Procedures</i></b>  |  |  |  |  |  |  |

|      |   |  |  |  |  |  |  |
|------|---|--|--|--|--|--|--|
| 14.  | The Annual Calendar of Board meetings is communicated well in advance and reviewed from time to time.                                   |  |  |  |  |  |  |
| 15.  | The Board meeting agenda and related background papers are concise and provide information of appropriate quality and detail.           |  |  |  |  |  |  |
| 16.. | Adequacy of attendance and participation by the Board Members at the Board meetings and whether frequency of Board Meeting is adequate. |  |  |  |  |  |  |
| 17.  | Whether the agenda is circulated well before the meeting and has all relevant information to take decision on the matter.               |  |  |  |  |  |  |
| 18.  | Adequate and timely inputs are taken from the Members of the Board prior to setting of the Agenda for the meetings.                     |  |  |  |  |  |  |
| 19.  | Whether the Board discusses every issue comprehensively and depending on the importance of the subject?                                 |  |  |  |  |  |  |
| 20.  | Whether the environment of the meeting induces free-flowing discussions, healthy debate and contribution by everyone without any fear?  |  |  |  |  |  |  |
| 21.  | How effectively does the Board works collectively as a team in the best interest of the company?  |  |  |  |  |  |  |
| 22.  | The minutes of Board meetings are clear, accurate, consistent, complete and timely and records dissenting views.                        |  |  |  |  |  |  |

|          |  |  |  |  |  |  |  |
|----------|--|--|--|--|--|--|--|
| 23.      | Whether all the information pertaining to the meeting are disseminated to the Members timely   |  |  |  |  |  |  |
| 24.      | The actions arising from Board meetings are properly followed up and reviewed in subsequent meetings.  |  |  |  |  |  |  |
| 25.      | Appropriateness of secretarial support made available to the Board.  |  |  |  |  |  |  |
| <b>D</b> | <b><i>Board Development</i></b>  |  |  |  |  |  |  |
| 26.      | Appropriateness of the induction programme given to the new Board Members.   |  |  |  |  |  |  |
| 27.      | Timeliness and appropriateness of ongoing development programmes to enhance skills of its Members.   |  |  |  |  |  |  |
| 28.      | Appropriate development opportunities are encouraged and communicated well in time.  |  |  |  |  |  |  |
| <b>E</b> | <b><i>Board Strategy and Risk Management</i></b>   |  |  |  |  |  |  |
| 29.      | The time spent on issues relating to the strategic direction and not day-to-day management responsibilities.   |  |  |  |  |  |  |
| 30.      | Whether significant time of the Board is being devoted to management of current and potential strategic issues?  |  |  |  |  |  |  |
| 31.      | Whether the Board overall reviews and guides corporate strategy, major plans of action, risk policy, annual budgets and business plans, sets performance objectives, monitored implementation and corporate performance, |  |  |  |  |  |  |



|          |  |  |  |  |  |  |  |
|----------|--|--|--|--|--|--|--|
|          | and oversees major capital expenditures, acquisitions and divestments?   |  |  |  |  |  |  |
| 32.      | The Board has developed strategic plan / policies and the same would meet the future requirement of the Company.   |  |  |  |  |  |  |
| 33.      | The Board has sufficient understanding of the risk attached with the business structure and the Board uses appropriate risk management framework and steps to mitigate the risk. |  |  |  |  |  |  |
| 34.      | Monitoring the Company's internal controls and compliance with applicable laws and regulations.  |  |  |  |  |  |  |
| 35.      | The Board discusses thoroughly the annual budget of the Company and its implications before approving it.  |  |  |  |  |  |  |
| 36.      | The Board periodically reviews the actual result of the Company vis-à-vis the plan/ policies devised earlier and suggests corrective measures, if required.                      |  |  |  |  |  |  |
| <b>F</b> | <b><i>Board and Management Relations</i></b>   |  |  |  |  |  |  |
| 37.      | Whether the Board evaluates and monitors management, especially the CEO regularly and fairly and provides constructive feedback and strategic guidance?                          |  |  |  |  |  |  |
| 38.      | The Board has approved comprehensive policies and procedures for smooth conduct of all material activities by Company.   |  |  |  |  |  |  |

|          |  |  |  |  |  |  |  |
|----------|--|--|--|--|--|--|--|
| 39.      | The Board adequately reviews proposed departures from the long-and short- term business plans of the Company before they take place.                 |  |  |  |  |  |  |
| 40.      | The Board sets a corporate culture and the values by which executives shall behave.  |  |  |  |  |  |  |
| 41.      | The Board and the management are able to actively access each other and exchange information.  |  |  |  |  |  |  |
| 42.      | The level of independence of the management from the Board is adequate.  |  |  |  |  |  |  |
| <b>G</b> | <b><i>Succession Planning</i></b>  |  |  |  |  |  |  |
| 43.      | The Board has a succession plan for the Chairperson and the Chief Executive Officer / Managing Director.   |  |  |  |  |  |  |
| 44.      | The Board reviews the existing succession plan and if appropriate, make necessary changes by taking into account the current conditions.             |  |  |  |  |  |  |
| <b>H</b> | <b><i>Stakeholder value and responsibility</i></b>   |  |  |  |  |  |  |
| 45.      | The Board treats shareholders and stakeholders fairly where decisions of the Board may affect different shareholder/ stakeholder groups differently. |  |  |  |  |  |  |

|  |   |                            |                          |   |             |  |  |
|--|---|----------------------------|--------------------------|---|-------------|--|--|
| 46.  | The Board regularly reviews the Business Responsibility Reporting / related corporate social responsibility initiatives of the entity and contribution to society, environment etc. |                            |                          |   |             |  |  |
|  | <i>Outstanding</i>  | <i>Exceeds Expectation</i> | <i>Meets Expectation</i> | <i>Needs Improvement</i>  | <i>Poor</i> |  |  |
| <b>Overall rating of Board's Performance</b>   |   |                            |                          |   |             |  |  |
| <b>Comment</b>   |   |                            |                          |   |             |  |  |
| <b>Please Suggest three things that could improve Board's Performance.</b><br><br>a)<br>b)<br>c) |   |                            |                          | <b>Name of Director:</b><br><br><b>Signature:</b><br><br><b>Date:</b> |             |  |  |

**Rating Scale: -**

Please tick in the appropriate box, where:

- 1 = Outstanding
- 2 = Exceeds Expectation
- 3 = Consistent / Satisfactory
- 4 = Needs improvement
- 5 = Poor