



FIRSTMERIDIAN BUSINESS SERVICES LIMITED

POLICY FOR EVALUATION OF PERFORMANCE OF BOARD OF DIRECTORS

POLICY FOR EVALUATION OF PERFORMANCE OF BOARD OF DIRECTORS OF THE COMPANY AS ADOPTED BY THE BOARD OF DIRECTORS

1. Preamble:

The Company conducts its operation under the overall direction of the Board of Directors within the framework laid down by various statutes, more particularly the Companies Act, 2013 ("Act"), the Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Company's Board of Directors are dedicated to act in good faith, exercise their judgment on an informed basis and in the best interest of the Company and its stakeholders. This Policy is made to comply with the provisions of formal annual evaluation made by the Board of Directors of its own performance (self-appraisals) and that of its committees and individual Directors as mentioned under the clause (p) of sub-section (3) of Section 134 of the Companies Act, 2013. Further, Section 178 of the Act provides that the Nomination and Remuneration Committee ("NRC") shall inter-alia carry out evaluation of every director's performance.

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 stipulates the NRC to lay down the criteria for performance evaluation of independent directors on the Board. To comply with the above requirement this policy on performance evaluation is put into place. Such an evaluation procedure will provide a fine system of checks and balances on the performance of the directors and will ensure that they exercise their powers in a rational manner.

2. Definitions:

"Act" shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars, or re-enactment thereof.

"The Company" shall mean _____ (Formally known as _____).

"The Director" or "the Board" in relation to the Company shall mean and deemed to include the collective body of the Board of Directors of the Company including the Chairman of the Company.

"The Independent Director" shall mean an Independent Director as defined under section 2 (47) read with section 149 (5) of the Act.

"The Policy" or "This Policy" shall mean the Policy for Evaluation of performance of Board of Directors of the Company.

"The Committee" or "This Committee" shall mean the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of Companies Act, 2013.

3. Rating evaluation:

The Board of Directors shall pay regards to the following parameters for the purpose of evaluating the performance of a particular director:

In respect of each of the evaluation factors, various aspects have been provided to assist with the evaluation process in respect of performance of Board itself, and of its committees and individual directors as, such evaluation factors may vary in accordance with their respective functions and duties.

While evaluating the performance of the Chairman and Managing Director, the Board and/or Nomination and Remuneration Committee shall always consider the appropriate benchmarks set as per industry standards, the performance of the individual and of the Company.

Evaluation of Independent Director shall be carried on by the entire Board in the same way as it is done for the Executive Directors of the Company except the Director getting evaluated.

Evaluation of performance shall be carried out at least once a year.

Appraisal of each Director of the Company shall be based on the criteria as mentioned herein below.

Rating Scale

Performance	Rating
Excellent (=>90%)	E
Very Good (=>70% to<90%)	V
Good (=>60% to < 70%)	G
Satisfactory (=>50% to < 60%)	S
Needs Improvement (< 50%)	N

The Company has chosen to adopt the following Board Performance Evaluation Process:

Evaluation of the Board

The Board of Directors of the Company will carry out an evaluation of its own performance on an annual basis. The Board evaluation process is designed to

- i. Review the pre-determined role of the Board Collectively and individual directors in discharging duties as set by the Company from time to time.
- ii. Annually assess how well directors are discharging their responsibilities, collectively by assessing the Board's effectiveness and individually by assessing the quality of a Directors' contribution to general discussion, business proposals and governance responsibilities.
- iii. Annually assess the performance of directors in discharging their responsibilities.

Evaluation of Independent Directors:

Some of the specific issues and questions that should be considered in a performance evaluation of Independent Director, in which the concerned Director being evaluated shall not be included, are set out below:

Name of Director being assessed: _____

S. No	Assessment Criteria	Rating	Remarks/ Comments
1.	Adherence to the Code of conduct of the Company as well as the Code for independent Directors as applicable.		
2.	Understanding the environment in which the company operate and contribution to strategic decision		
3.	Attendance and participations in the meetings		
4.	Safeguarding of confidential information and interest of whistle-blowers under vigil mechanism		
5.	Rendering independent, unbiased opinion and resolution of issues at meetings		
6.	Objective evaluation of Board's performance, rendering independent unbiased opinion.		
7.	Contribution for resolving the issues at the meeting and raising valid concerns at the Board		
8.	Timely inputs on the minutes of the meetings of the Board and Committee's if any		

Based on the criteria each of the independent directors has to be assessed by the other directors (including other independent directors) by giving a rating mentioned above. The performance evaluation of independent directors shall be done by the entire Board of Directors (excluding the director being evaluated).

Evaluation of Non – Independent Directors / Executive Directors

Some of the specific issues and questions that should be considered in a performance evaluation of Chairman and Managing Director/Non-Independent Director/Executive Director by Independent Directors, in which the concerned director being evaluated shall not be included, are set out below:

Name of Director being assessed: _____

Sr. No	Assessment Criteria	Rating	Remarks/ Comments
1.	Attendance and participation in the discussion at the Meetings.		
2.	Adherence to the Code of conduct and Business ethics of the Company		
3.	Contribution to the growth of the Company		

4.	Leadership Initiative like new ideas and planning towards the growth of the Company		
5.	Compliance with policies, Reporting of frauds, violation etc. and disclosing disclosure of interest.		
6.	Initiating Steps for development of business		
7.	Teamwork attributes and supervising and training of staff members		
8.	Safeguarding the interest of whistle blowers under vigil mechanism and Safeguarding of confidential information		

Based on the criteria each of the Chairman and Managing Director/Non-Independent Director/Executive Director (s) has to be assessed by giving a rating mentioned above. The performance evaluation of such directors shall be done by the Board as a whole (excluding the Director being evaluated) and/or by the Nomination and Remuneration Committee (excluding the director being evaluated). This process of evaluation will also be done by the Independent Directors separately at their meetings.

Evaluation of Board of Director by Independent Directors:

Some of the specific issues and questions that should be considered in a performance evaluation of the entire Board by Independent Directors, are set out below:

Sr. No	Assessment Criteria	Rating	Remarks/ Comments
1.	The Board of Directors of the Company is effective in decision making		
2.	The Board of Directors is effective in developing a corporate governance structure that allows and encourages the Board to fulfil its responsibilities		
3.	The Company's systems of control are effective for identifying material risks and reporting material violations of policies and law.		
4.	The Board reviews the organization's performance in carrying out the stated mission on a regular basis		
5.	The Board of Directors is effective in providing necessary advice and suggestions to the Company's management		
6.	Is the Board as a whole up to date with latest developments in the regulatory environment and the market?		
7.	The information provided to Directors prior to Board Meetings meets your expectations in terms of length and level of detail		
8.	Board meetings are conducted in a manner that encourages open communication, meaningful participation, and timely resolution of issues.		

9.	The Board Chairman effectively and appropriately leads and facilitates the Board meetings and the policy and governance work of the Board.		
10.	The Board appropriately considers internal audit reports, management's responses, and steps towards improvement.		
	The Board oversees the role of the Independent Auditor from selection to termination and has an effective process to evaluate the Independent Auditor's qualifications and performance		
11.	The Board considers the Independent Audit plan and provides recommendations		
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COMMITTEES OF BOARD

The Board has constituted the following committees:

1. Audit Committee.
2. Nomination and Remuneration Committee; and
3. Stakeholders Relationship Committee

For evaluating the performance of each Committee, the Board of Directors shall pay regards to the following aspects as set out in the annexure below:

Sr. No	Audit Committee (for Audit Committee members only)	Rating	Remarks/ Comments
1.	Committee Meetings are conducted in a manner that encourages open communication, meaningful participation, and timely resolution of issues		
2.	Timely inputs on the Minutes of the Meetings		

Sr. No	Nomination and Remuneration Committee (for Nomination and Remuneration Committee members only)	Rating	Remarks/ Comments
1.	Committee Meetings are conducted in a manner that encourages open communication, meaningful participation, and timely resolution of issues		
2.	Timely inputs on the Minutes of the Meetings		

Sr. No	Risk Management Committee (for Risk Management Committee members only)	Rating	Remarks/ Comments
1.	Committee Meetings are conducted in a manner that encourages open communication, meaningful participation, and timely resolution of issues		
2.	Timely inputs on the Minutes of the Meetings		

External consultants:

The Board or Committee thereof may engage independent external consultants periodically to provide strategic advices and assistance in the evaluation process.

Review

The Board of Directors reserves its right to review and amend this Policy, if required, to ascertain its appropriateness as per the requirements of the Company.

Disclosure:

As required under the Listing Regulations and Companies Act, 2013, the Company will disclose the criteria for performance evaluation as laid down by the Nomination and Remuneration Committee in the Annual Report. A statement indicating the manner in which the performance evaluation has been made by the Board of Directors of its own performance and that of its committees and individual directors will be disclosed in the Directors' Report.