



POLICY FOR PERFORMANCE EVALUATION
OF DIRECTORS

SHARE INDIA SECURITIES LIMITED

1. INTRODUCTION

The Company conducts its operations under the directions of Board of Directors within the framework laid down by various statutes, more particularly by the Companies Act, 2013, SEBI Regulations, Memorandum and Articles of Association and Code of Conduct and policies formulated by the Company for its internal execution.

The Company's Board of Directors is dedicated to act in good faith; exercise their judgment on an informed basis and in the best interest of the company and its stakeholders. Accordingly the present policy for performance evaluation is being put into place in accordance with the requirements of section 178 of the Companies Act, 2013 which provides that a policy is to be formulated and recommended to the Board, setting the criteria, based on which the performance of every director including the performance of the Board as a whole shall be assessed by the Board of Directors of the Company. 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.

With an aim to maintain a proactive and effective Board, the Board is committed to a continuing process of recommending and laying down the criteria to evaluate the performance of the entire Board of the Company. As one of the most important functions of the Board of Directors is to oversee the functioning of Company's top management, this Board Performance Evaluation process aims to ensure that individual directors ("Directors") and the Board of Directors of the Company ("Board") as a whole work efficiently and effectively in achieving Company'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 Policy is based on the Regulation 19 and Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") and the Companies Act, 2013 ("Companies Act").

2. OBJECT:

The Policy has been framed with an objective to ensure individual directors of the Company ("Directors") and the Board as a whole, work efficiently and effectively in achieving their functions, for the benefit of the Company and its stakeholders. Accordingly, the Policy provides guidance on evaluation of the performance, on an annual basis, of:

- (i) Individual Directors (including the Chairperson and independent directors of the Company ("Independent Directors"));

- (ii) The Board as a whole; and
- (iii) Various committees of the Board (“Board Committees”).

3. EFFECTIVENESS OF THE BOARD

The overall effectiveness of the Board shall be measured on the basis of the ratings obtained by each Director and accordingly the Board shall decide the Appointments, Re-appointments and Removal of the non-performing Directors of the Company. For this reason, based on the fore stated criteria of evaluation the remuneration of the Directors and Key Managerial Personnel shall be determined and reviewed from time to time.

4. RESPONSIBILITY OF BOARD/ INDEPENDENT DIRECTOR

It shall be the duty of the Company to organize 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 maximize their strength and to tackle their shortcomings.

In conformity with the requirement of the Act, the performance evaluation of all the directors shall be done by the entire Board of Directors, excluding the director being evaluated. On the basis of performance evaluation done by the Board, it determines whether to extend or continue their term of appointment, whenever their respective term expires. The Directors expressed their satisfaction with the evaluation process.

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 the non- Independent Directors, performance of Managing Director of the Company and Board as a whole, taking into account the views of executive directors and non-executive directors.

5. EVALUATION FACTORS

The Board of Directors shall take into consideration the following parameters for the purpose of evaluating the performance of a particular director:

In respect of each of the evaluation parameters, various descriptors 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. The evaluation scale is a simple two point scale i.e. Satisfactory and Not Satisfactory

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

FOR CHAIRPERSON

Some of the specific issues and questions that should be considered in a performance evaluation of the Chairperson by all Directors are set out below:

S.No	Assessment Criteria
1	The Chairperson actively manages shareholder, board, management and employee relationships and interests
2	The Chairperson skilfully runs meetings and encourages participation at all Board meetings, also encourages all Board members to participate fully in the decision-making process.
3	The Chairperson is an effective leader
4	The Chairperson is respected by all the board of Directors
5	The Chairperson promotes the positive image of the Company
6	The Chairperson promotes continuing training and development of directors
7	Personal values are in congruence with that of the company
8	The Chairperson demonstrate and encourage good listening skills

Based on the above criteria the chairperson has to be assessed by all the directors by giving a rating of Satisfactory or Not Satisfactory. The total of the ratings so awarded will be averaged over the number of persons who have awarded the rating

FOR INDEPENDENT DIRECTORS

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

S. No.	Assessment Criteria
1	Attendance and participations in the Meetings and timely inputs on the minutes of the meetings
2	Adherence to ethical standards & code of conduct of Company and disclosure of non – independence, as and when it exists and disclosure of interest
3	Raising of valid concerns to the Board and constructive contribution to resolution of issues at meetings

4	Interpersonal relations with other directors and management
5	Objective evaluation of Board's performance, rendering independent, unbiased opinion
6	Understanding of the Company and the external environment in which it operates and contribution to strategic direction
7	Safeguarding interest of whistle-blowers under vigil mechanism and Safeguard of confidential information

Based on the above criteria each of the Independent Directors has to be assessed by the other directors (including other Independent Directors) by giving a rating of Satisfactory or Not Satisfactory. The total of the ratings so awarded will be averaged over the number of persons who have awarded the rating.

Assistance in conducting the process of evaluation shall be provided by a person as authorized by the Board and for this purpose, such person shall report to Board.

FOR NON – INDEPENDENT DIRECTORS / MD / WTD

Some of the specific issues and questions that should be considered in a performance evaluation of Non-Independent Director /MD/ WTD are set out below.

S. No.	Assessment Criteria
1	Attendance, participations in the Meetings and timely inputs on the minutes of the meetings
2	Contribution towards growth of the Company including actual vis-a-vis budgeted performance.
3	Leadership initiative, like new ideas and planning towards growth of the Company and steps initiated towards Branding of the Company
4	Adherence to ethical standards & code of conduct of Company
5	Team work attributes and supervising & training of staff members
6	Compliance with policies, Reporting of frauds, violation etc. and disclosure of interest
7	Safeguarding of interest of whistle blowers under vigil mechanism and Safeguard of confidential information

Based on the above criteria each of the Non – Independent Directors / MD / WTD has to be assessed by giving a rating of satisfactory or non satisfactory. The total number of ratings awarded will be averaged over the number of persons who have awarded the rating.

This process of evaluation shall be done by Independent Directors only. Assistance in handling the process will be provided by a person so authorized by the Board, and for this purpose, the person will report to the Board.

FOR BOARD AS A WHOLE

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

S. No.	Assessment Criteria
1	Is the composition of the board appropriate with the right mix of knowledge and skills required to drive organizational performance in the light of future strategy?
2	Members of the board meet all applicable independence requirements
3	The Board of Directors is effective in establishing a corporate environment that promotes timely and effective disclosure, fiscal accountability, high ethical standards and compliance with applicable laws and regulations
4	The Board of Directors is effective in developing a corporate governance structure that allows and encourages the Board to fulfill its responsibilities.
5	The Company's systems of control are effective for identifying material risks and reporting material violations of policies and law and The Board is provided with sufficient information about material risks and problems that affects the Company's business and prospects.
6	The Board receives regular financial updates and takes all necessary steps to ensure the operations of the organization are sound and reviews the organization's performance in carrying out the stated mission on a regular basis.
7	Are sufficient numbers of board meetings, of appropriate length, being held to enable proper consideration of issues?
8	The information provided to directors prior to Board meetings meets expectations in terms of length and level of detail and Board members come prepared to meetings and ask appropriate questions of management and address issues that might present a conflict of interest.

9	The Chairman of the Board effectively and appropriately leads and facilitates the Board meetings and the policy and governance work of the Board.
10	Nomination and appointment of Board members and their Remuneration follow clearly
11	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 (through its Audit Committee).
12	Company has a system for Corporate Social Responsibility, Stakeholder Relationships and for prohibition of insider trading
13	Company has necessary Committees which are required and these Committees are working effectively

Based on the above criteria Board has to be assessed by giving a rating of satisfactory or non-satisfactory. The total number of the ratings awarded will be averaged over the number of persons who have awarded the ratings.

The process of evaluation shall be done by Independent Directors only. Assistance in the process will be provided by a person so authorized by the Board, and for this purpose the person will report to the Board.

FOR BOARD COMMITTEES

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

S.No	Assessment Criteria
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	The composition of the committee is in compliance with the legal requirement
4	Committee takes effective and proactive measures to perform its functions
5	Committee meetings have been organized properly and appropriate procedures were followed in this regard?
6	The frequency of the Committee meetings is adequate.
7	Committee gives effective suggestion and recommendation

Based on the above criteria each of the Board Committees has to be assessed by all the directors by giving a rating of Satisfactory or Not Satisfactory. The total of the ratings so awarded will be averaged over the number of persons who have awarded the rating.

6. REVIEW

The performance evaluation process will be reviewed annually by the “Nomination and Remuneration Committee”.

Subject to the approval of Board of Directors, the Committee may amend the Policy, if required, to ascertain its appropriateness as per the needs of the Company.

7. DISCLOSURE

Company will disclose details of its Board Performance Evaluation processes in its Board’s Report. the key features of this Policy would also be included in the corporate governance statement contained in the annual report of the Company.

Further, the Board’s report containing such statement will be made available to shareholders at the general meeting of the Company. The Policy will be available in the public domain i.e. on the website of the Company.

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