

Policy on Evaluation of Performance of the Directors and the Board - WEIFCPL

**WEST END INVESTMENT & FINANCE CONSULTANCY PRIVATE LIMITED
(WEIFCPL)**

Policy on Evaluation of Performance of the Directors and the Board

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1. INTRODUCTION:

The Company conducts its operations under the directions of the Board of Directors within the framework laid down by various statutes, more particularly by the Companies Act, 2013, the Articles of Association and Directions of Reserve Bank of India. The Company's Board of Directors is dedicated to act in good faith; exercise their judgment on an informed basis, 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 read with relevant rules made thereunder which provides for a policy to be formulated and recommended to the Board, setting the criteria, based on which the performance of each and every director including the performance of the Board as a whole as well as its various committees 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.

The board of directors (the "Board") of West End Investment and Finance Consultancy Private Limited ("WEIFCPL" or "the Company") has, basis the recommendation of the Nomination and Remuneration Committee, adopted this board evaluation policy ("Policy") to comply with the various provisions under 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. CRITERIA OF PERFORMANCE EVALUATION

The Nomination and Remuneration Committee has laid down the criteria for evaluation of Performance of individual Directors (including the Chairperson and Independent Directors of the Company) the Board and various committees of Board as listed below: -

- (i) Attendance and Participation at meetings of the Board and Committee thereof;
- (ii) Expertise, skills, behaviour, leadership qualities, sense of sobriety and understanding of business, strategies direction to align company's value and standards;
- (iii) Knowledge of finance, accounts, legal, investment, marketing, foreign exchange / hedging, internal controls, risk management, assessment and mitigation, business operations, processes and Corporate Governance;

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- (iv) Ability to create a professional environment that drives value creation and a high quality of debate with robust and probing discussions;
- (v) Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency;
- (vi) Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity and probity;
- (vii) Recognize the role which he/she is expected to perform, internal communication amongst the Board to make decisions objectively and collectively in the best interest of the Company to achieve organizational success;
- (viii) Rational, sound and broad thinking and a vision on corporate social responsibility, etc;
- (ix) Decision making on sales and marketing, raising and evaluating best source of finance, assessment of working capital, geopolitics, human resources and understanding financial statements and assessing business performance, etc;
- (x) Ability to monitor the performance of management and satisfy himself/herself with integrity of the financial controls and systems in place by ensuring appropriate contact with external stakeholders; and
- (xi) His/ her contribution to enhance overall brand image of the Company.

4. EVALUATION PROCESS

In conformity with the requirement of Applicable Law, the performance evaluation of individual Directors (including the Chairperson and Independent Directors of the Company), Board and its committees to be carried out in following manner:

- (i) All Directors shall carry out the performance evaluation of every individual director (including the Chairperson and Independent Directors) except the Director being evaluated.
- (ii) All Directors shall also undertake the performance evaluation of Board as whole and various committees of Board.

The evaluation of performance of Board, its committees and individual directors should be carried out at least once in a year accordance with the above manner and as per the format (attached as annexure below) approved by Nomination & Remuneration Committee.

5. BOARD MEMBER FEEDBACK

The Company believes in value for its stakeholders through ethical processes and integrity. The Board of Directors plays a very important role in ensuring that the Company's performance is monitored, and timely inputs are given to enhance its performance and set

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the right direction for growth. Hence, it is important that every individual Board Member effectively contributes to the Board deliberations.

6. PROCEDURE TO RATE THE PERFORMANCE

Based on evaluation criteria, the Nomination & Remuneration Committee and the Board shall rate the performance of the individual Directors (including the Chairperson and Independent Directors of the Company) Board and its various Committees. The performance rating shall be made on the five rating criteria of Excellent, Good, Satisfactory, Below Satisfactory and Poor, where Excellent is the highest Standard and the Poor being the lowest standard to the rating. Based on the rating of performance, the Board can decide the strategy to extend or continue the term of appointment or to introduce new candidate as a member of the Board or removal/retirement of the member based on his / her performance rating as to create and maintain the most effective and powerful top level management of the Company for its future growth, expansion, diversification and also to maximize the returns on investments to the Stakeholders of the Company.

7. MEETING FOR EVALUATION OF PERFORMANCE OF BOARD MEMBERS

The Summary of performance evaluation of Individual Directors (including the Chairperson and Independent Directors), Board as whole and various committees of Board should be presented to Nomination & Remuneration Committee and Board on annual basis.

Further the Independent Directors shall also hold a meeting at least once in any given year, without the presence of the non-Independent Directors of the Company, to: -

- (i) review the performance of non-independent directors, Board as a whole and various committee(s) of Board;
- (ii) review the performance of the Chairperson of the Company, considering the views of whole-time directors and non-executive directors;
- (iii) 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.

All Independent Directors shall strive to attend such meeting.

8. POLICY REVIEW

Subject to the approval of the Board, the Nomination and Remuneration Committee reserves its right to review and amend this Policy, if required, to ascertain its appropriateness as per the needs of the Company.

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ANNEXURE-1_(BOARD EVALUATION)

This questionnaire has been designed to evaluate the Board. Every question would be evaluated on the rating scale as given below.

(Rating: A = Excellent, B = Good, C = Satisfactory)

The questionnaire also provides for space for qualitative comments.

A. Structure of the Board	
Competency of directors: The Board as a whole has directors with a proper mix of competencies to conduct its affairs effectively.	
Experience of directors: The Board as a whole has directors with enough experience to conduct its affairs effectively.	
Mix of qualifications: The Board as a whole has directors with a proper mix of qualifications to conduct its affairs effectively.	
B. Meetings of the Board	
Regularity of meetings: The meetings are being held on a regular basis.	
Frequency: The Board meets frequently and the frequency of such meetings is enough for the Board to undertake its duties properly.	
Agenda: The agenda is circulated well before the meeting along with the relevant documents.	
Recording of minutes: The minutes are being recorded properly- clearly, completely and consistently.	
C. Functions of the Board	
The role and responsibilities of the Board are clearly communicated and documented	
Strategy and performance evaluation: 1.The Board is devoting sufficient time for management of current and potential strategic issues.	
2. The Board ensures that the statutory compliances are adequately and regularly made.	
Stakeholder value and responsibility: The Board endeavors towards decision-making process for creation of stakeholder value.	
Corporate culture and values: The Board sets a corporate culture and the values by which executives throughout a group shall behave.	
Review of Board evaluation: The Board monitors and reviews the Board evaluation framework.	
Facilitation of independent directors: The Board facilitates the independent directors to perform their role effectively as a member of the Board and also a member of a committee of Board of directors and any criticism by such directors is taken constructively.	

Overall Comments

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ANNEXURE-2_(BOARD COMMITTEES)

This questionnaire has been designed to evaluate the committees. Every question would be evaluated on the rating scale as given below.

(Rating: A = Excellent, B = Good, C = Satisfactory)

The questionnaire also provides for space for qualitative comments.

A. Mandate and composition	Audit Committee	Nomination & Remuneration Committee	Corporate Social Responsibility Committee
The mandate, composition and working procedures of the committee is clearly defined and disclosed.			
B. Effectiveness of the committee			
The committee has fulfilled its functions as assigned by the Board and laws as may be applicable.			
C. Structure of the committee and meetings			
Structure of the committee: The committee has been structured properly.			
Regularity of meetings: The meetings are being held on a regular basis.			
Frequency: The Committee meets frequently and the frequency of such meetings is enough for the Committee to undertake its duties properly.			
Agenda: The agenda is circulated well before the meeting along with the relevant documents.			
Recording of minutes: 1. The minutes are being recorded properly- clearly, completely and consistently.			
D. Independence of the committee from the Board			
Adequate independence of the committee is ensured from the Board.			
E. Contribution to decisions of the Board			
The committee's recommendations contribute effectively to decisions of the Board.			

Overall Comments

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ANNEXURE-3_(INDIVIDUAL DIRECTOR)

This questionnaire has been designed to evaluate the Directors. Every question would be evaluated on the rating scale as given below.

(Rating: A = Excellent, B = Good, C = Satisfactory)

The questionnaire also provides for space for qualitative comments.

Sr. No.	Criteria for Assessment	Directors to be Evaluated (Director's Name)
01.	<p><u>Qualification & Experience:</u> The Director has relevant qualifications and experience in area of law, finance, accounting, economics, management, administration or any other areas relevant to the financial markets, including any recent updates in this regard</p>	
02.	<p><u>Knowledge and Competency:</u> i. The Director has sufficient understanding and knowledge of the applicable regulatory norms. ii. The Director has sufficient understanding of the role, responsibilities and obligations of Director under the relevant regulatory norms. iii. The Director has sufficient understanding of the risk attached with the business structure.</p>	
03.	<p><u>Fulfillment of functions:</u> i. The Director gives views and opinions on various regulatory matters when comments are invited.</p>	
04.	<p><u>Ability to function as a team:</u> i. The Director is able to function as an effective team-member. ii. The Director listens attentively to the contributions of others and gives adequate weightage to the views and perception of other Board Members.</p>	
05.	<p><u>Initiative:</u> i. The Director actively takes initiative with respect to various areas. ii. The Director insists on receiving information necessary for decision making. iii. The Director remains updated in terms of developments taking place in regulatory areas. iv. The Director appropriately deals with critical matters.</p>	

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Sr. No.	Criteria for Assessment	Directors to be Evaluated (Director's Name)
06.	<p><u>Commitment:</u></p> <p>i. The Director is adequately committed to the Board.</p>	
07.	<p><u>Contribution:</u></p> <p>i. The Director has contributed effectively to the Board Meetings.</p> <p>ii. The Director participates in the proceedings of Board Meetings keeping in mind the interests of various stakeholders.</p> <p>iii. The Director actively deliberates and contributes on proposed business propositions and strategic decisions taking into consideration pros and cons of such propositions, long term outlook, business goals, cost-benefit analysis, etc.</p>	
08.	<p><u>Independent views and judgment:</u></p> <p>i. The Director exercises his/ her own judgment and voices opinion freely.</p> <p>ii. The Director's participation in decisions taken during meetings are unbiased, based on ethical judgment and are in strict conformity to the applicable regulatory norms.</p> <p>iii. The Director is committed to ensure that there is fairness and integrity in letter as well as spirit.</p>	
	Total	

Overall Comments

Director Name
DIN

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ANNEXURE-4_(CHAIRPERSON)

This questionnaire has been designed to evaluate the Chairman of the Company

Criteria for Assessment	Name of Chairperson
Qualification:	
Experience:	
Knowledge and Competency: <ul style="list-style-type: none"> i. The person is competent, as per the criteria identified by the Nomination and Remuneration Committee for the effective functioning of the entity and the Board ii. The person has sufficient understanding and knowledge of the entity and the sector in which it operates 	
The person understands and fulfils the functions to him/her as assigned by the Board and the law	
The person is able to function as an effective team- member	
The person actively takes initiative with respect to various areas	
The person is available for meetings of the Board and the Board Committees he/she is a member in and attends the meeting regularly and timely, without delay.	
The person is adequately committed to the Board and the entity	
The person contributed effectively to the entity and in the Board meetings	
The Chairperson 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	
The Chairperson is sufficiently committed to the Board and its meetings.	
The Chairperson is able to keep shareholders' interest in mind during discussions and decisions.	

Overall Comments

Name of the Director

DIN