

National Commodity Clearing Limited

Ackruti Corporate Park, 1st Floor, LBS Road, Kanjurmarg (W.), Mumbai-400078.

Board Evaluation Policy

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Document Change History

#	Description of Change	Effective Date	Version No.	Reviewed By	Approved By
1.	New Document	September 26, 2024	1.0	Company Secretary	Board

Note:

1. **POL – Policy**
2. **PRO – Standard Operating Procedure / Procedure**



NATIONAL COMMODITY CLEARING LIMITED

BOARD EVALUATION POLICY

1. INTRODUCTION

National Commodity Clearing Limited (hereinafter referred to as “NCCL” or “the Company”) is governed by the Companies Act, 2013 and rules notified thereunder; the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, to the extent applicable to the clearing corporations.

The ‘Board Evaluation Policy’ (‘Policy’) has been framed to ensure individual directors of the Company and the Board as a whole and also its committees, work efficiently and effectively in achieving their functions for the benefit of the Company and its stakeholders.

The Board shall also be guided by the Guidance Note on Board evaluation issued by SEBI on January 5, 2017 and SEBI circular dated February 5, 2019 and such other circulars / guidance as may be issued / applicable from time to time on performance review of the Directors, Board as a whole and Board Committees.

2. DEFINITIONS

- (I) “**Board of Directors**” or “**Board**” shall mean the collective body of Directors of NCCL.
- (II) “**Committees**” or “**Committees of the Board**” shall mean the committees of the Board of Directors of NCCL, constituted under the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 and presently includes the following:
 - (a) Audit Committee
 - (b) Stakeholders’ Relationship Committee
 - (c) Nomination & Remuneration Committee
 - (d) Corporate Social Responsibility Committee
 - (e) Risk Management Committee
 - (f) Member Committee
 - (g) Standing Committee on Technology
 - (h) Regulatory Oversight Committee
 - (i) Investment Committee
 - (j) Independent Directors / Public Interest Directors Committee
- (III) “**Director**” means a director appointed to the Board of NCCL.
- (IV) “**Independent Director**” shall have the meaning as defined under the Companies Act, 2013 read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

- (V) **“Public Interest Director”** shall have the meaning as defined under the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.

Words and expressions used but not defined herein, shall have the same meaning respectively assigned to them in the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 or other relevant provisions, as may be applicable.

3. INTERPRETATIONS

In any circumstances, where the terms of this Policy differ from any existing or enacted law, rule, regulation governing NCCL, the law, rule or regulation will take precedence over the provision of this Policy.

4. FREQUENCY OF PERFORMANCE EVALUATION

Performance of Directors shall be evaluated annually. In addition to this, the performance of Public Interest Directors shall be evaluated at the time of renewal of their tenure. Public Interest Directors shall also be subject to an external evaluation during the last year of their first term in NCCL, by a management or a human resources consulting firm.

5. OBJECTIVE

NCCL aims to achieve a balance of merit, experience and skills amongst its Directors. The objectives of this Policy are to define the criteria, principles and board framework for performance evaluation of Directors, the Board as whole and its Committees.

6. REVIEW OF THE POLICY

The Policy shall be reviewed once in three years, unless an earlier review is required to ensure that it meets the regulatory requirements or latest industry practice or both. Changes, if any, made to the Policy therein shall be approved by the Nomination & Remuneration Committee and the Board.

7. DISCLOSURE

In accordance with the requirements under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, disclosure regarding the manner in which the performance evaluation has been done by the Board of its own performance, performance of various Board Committees and individual Directors will be made by the Board in the Board’s report. Performance evaluation criteria for Public Interest Directors shall be disclosed in the Annual Report as well as on the website of NCCL.

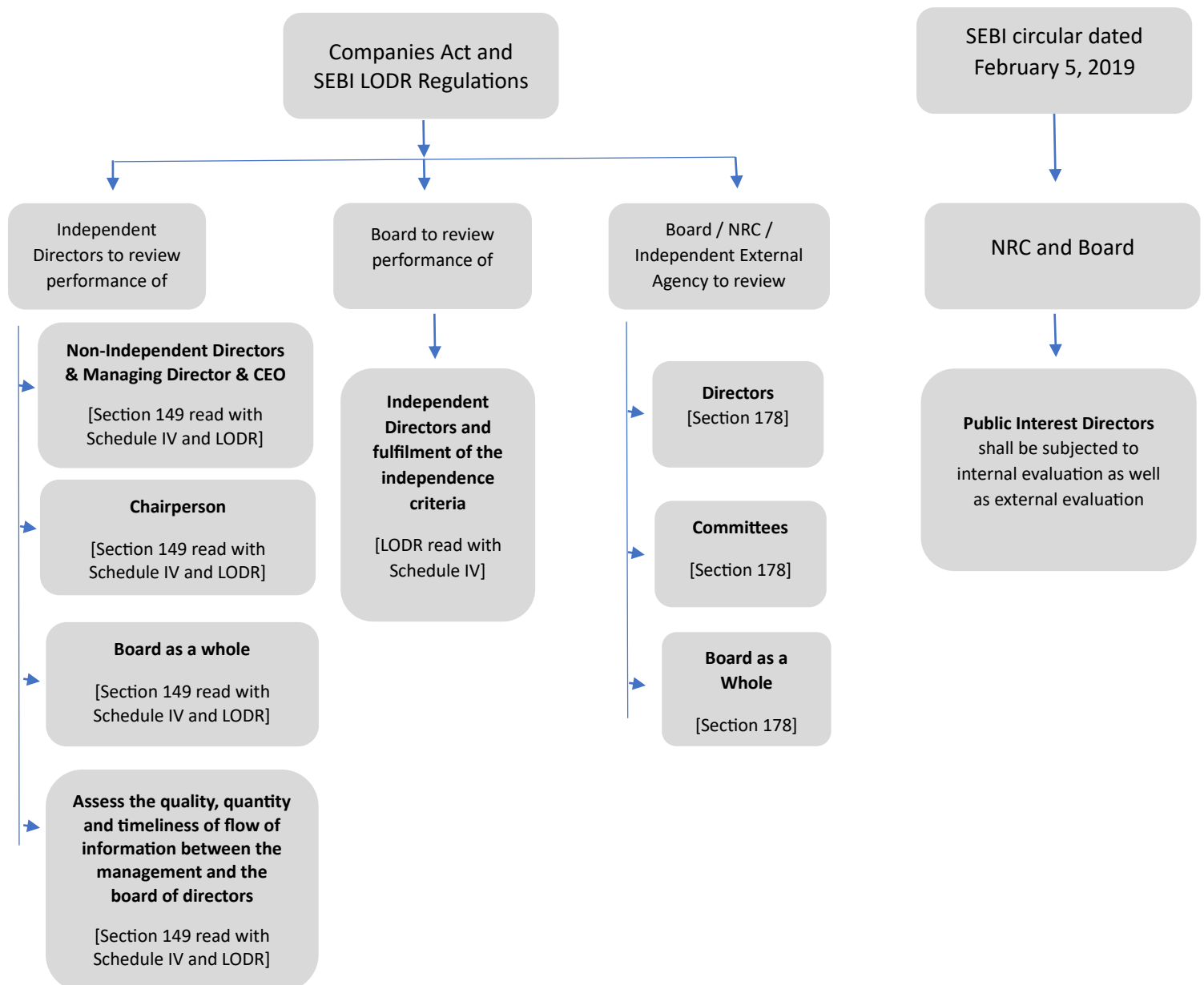
8. LEGAL AND REGULATORY PROVISIONS FOR PERFORMANCE EVALUATION OF DIRECTORS, THE BOARD AND ITS COMMITTEES

The provisions contained in the Companies Act, 2013 read with rules made thereunder, Schedule IV of the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and

Disclosure Requirements) Regulations 2015 stipulates the performance evaluation of Directors, the Board and its Committees.

Furthermore, the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 read with the SEBI circular dated February 5, 2019, addressed to Market Infrastructure Institutions ('MIIs') relating to the performance review of Public Interest Directors requires that the Public Interest Directors shall be subject to Internal evaluation every year and external evaluation during their last year of the term in MII, by a management or a human resource consulting firm.

In a nutshell, a pictorial representation of the evaluation requirement as envisaged under various sections of the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 is given below:



9. EVALUATION MECHANISM AND CRITERIA FOR EVALUATION

(A) Evaluation of Independent Directors / Public Interest Directors of NCCL:

Evaluation mechanism:

The evaluation of independent directors of NCCL shall be done annually by the entire board, excluding the director being evaluated, which shall include (a) performance of the independent directors; and (b) fulfilment of the independence criteria and their independence from the management. The questionnaire developed (attached as **Annexure - 1**) on the basis of criteria for performance review of Independent Director specified in this Policy shall be used for evaluation.

Public Interest Directors shall be subjected to internal evaluation as well as external evaluation, carrying equal weightage.

Internal evaluation:

All Board Members shall evaluate the performance of each Public Interest Director, on an annual basis at the end of every financial year. The questionnaire developed (attached as **Annexure - 1**) on the basis of criteria for performance review of Public Interest Director specified in this Policy shall be used for evaluation. The Nomination & Remuneration Committee and the Board of the Company shall review the performance of Public Interest Directors on the basis of assessment specified in the questionnaire by each Board member.

External evaluation:

Public Interest Directors shall also be subject to external evaluation during their last year of the term in the Company, by a management or a human resources consulting firm. The external consultant shall evaluate the Public Interest Directors taking into account the criteria for performance review of Public Interest Directors specified in this Policy. External assessment to be done basis the questionnaire / interview or a combination of the two. The purpose of conducting such an external assessment is to complement the internal assessment and adds an objective to the evaluation process. The external consultant shall take into consideration the performance of the Public Interest Director for the entire tenure served in the Company, at least up to 4 months before expiry of his/ her term. In order to avoid any bias or conflict of interest, external consultant shall not be a related party or associated with the Company, the concerned Public Interest Director or any other Board Members. The Company shall appoint the external consultant, subject to the aforesaid criteria, as required from time to time to conduct the external evaluation. The Nomination & Remuneration Committee and the Board of the Company shall review the performance of Public Interest Directors taking into consideration the external evaluation carried out by the external consultant.

The performance review shall be carried out in fair & objective manner and the review shall be recorded with clarity and verifiable facts in a standardized format covering all the relevant criteria / aspects. While evaluating conflict of interest of a Public Interest Director, the Board of the Company shall also take into consideration the provisions of Clause 2(d) of Schedule II Part H of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 under the head

‘Public Interest Director’; and conflict of interest, if any, of any Public Interest Directors should be disclosed to SEBI by the Board with their comments/ views.

Criteria for performance review of Independent Directors / Public Interest Directors of NCCL for both Internal and External Evaluation:

The following criteria shall be used for both internal and external evaluation of Independent Directors / Public Interest Directors. However, the Company / external consultant may adopt additional principles as may be considered appropriate.

a) Qualifications: Public Interest Directors should be qualified in the area of Capital Markets, Finance and Accountancy, Legal and Regulatory Practice and Technology. In addition, the Public Interest Directors may be qualified in the area of Risk Management, Management, Administration or any other area relevant to NCCL.

b) Experience: Public Interest Directors should have prior experience in the area of Capital Markets, Finance and Accountancy, Legal and Regulatory Practice and Technology. In addition, the Public Interest Directors may have prior experience in area of Risk Management, Management, Administration or any other area relevant to NCCL.

c) Knowledge and Competency:

- Public Interest Director shall have sufficient understanding and knowledge of the entity in which it operates and the applicable regulatory norms.
- Public Interest Director shall have sufficient understanding of the role, responsibilities and obligations of Public Interest Director under the relevant regulatory norms.
- Public Interest Director shall fare across different competencies as identified for effective functioning of Board of the Company which shall inter-alia include:
 - Constructive and analytical decision-making abilities.
 - Engagement [maintains satisfactory attendance; diligently prepares and remains well-informed]
 - Leadership [Displays efficient leadership, is open-minded, courteous, displays professionalism, decisive etc.]
 - Analysis [deliberates in detail and seeks clarifications on or amplification of information as required]
 - Quality of decision-making [probes effectively and constructively to test the assumptions and validate the information for quality decision-making; actively supports worthwhile ideas and proposals]
 - Interaction [communicates meaningfully in an open, constructive manner; gives a fair chance to others for expressing their views]
 - Governance/ Ethics [exercises independent judgement; helps in implementing and sustaining good governance practices and focuses on compliance]
 - Stakeholders Responsibility [takes informed and balanced decisions particularly in case of conflicting interests; protects interest of the minority shareholders]

- Public Interest Director shall have sufficient understanding of the risk attached with the business structure.

d) Fulfilment of functions:

- Public Interest Director shall understand and fulfil the functions as assigned to him/her by the Board and the regulatory norms.
- Public Interest Director shall give his/her views and opinion on various regulatory matters when comments are invited by SEBI through various means.

e) Ability to function as a team:

- Public Interest Director shall be able to function as an effective team- member.
- Public Interest Director shall listen attentively to the contributions of others and gives adequate weightage to the views and perception of other Board members.
- Public Interest Director shall share good interpersonal relationship with other directors.

f) Initiative:

- Public Interest Director shall actively take initiative with respect to various areas.
- Public Interest Director shall insist on receiving information necessary for decision making.
- Public Interest Director shall keep himself/herself well informed about the functioning of the Company and the external environment in which it operates.
- Public Interest Director shall remain updated in terms of developments taking place in regulatory areas.
- Public Interest Director shall identify any important issues concerning any matter which may involve conflict of interest for the Company, or may have significant impact on their functioning, or may not be in the interest of securities market, and whether the PID reported same to SEBI.
- Public Interest Director shall appropriately deal with critical matters.

- g) Availability and attendance: Public Interest Director shall be available for meetings of the Board of the Company and attend the meeting of the Board and Committees regularly and timely, without delay. It must be ensured that the concerned Public Interest Director hasn't remained absent for three consecutive meetings of the governing board and has attended seventy-five per cent of the total meetings of the governing board in each calendar year; failing which the Public Interest Director shall be liable to vacate office.

- h) Commitment: Public Interest Director shall be adequately committed to the Board and the Company.

i) Contribution:

- Public Interest Director shall contribute effectively to the Company and in the Board Meetings.
- Public Interest Director shall participate in the proceedings of Board meetings keeping in mind the interests of various stakeholders.
- Public Interest Director shall actively deliberate and contribute 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.



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j) Integrity:

- Public Interest Director shall demonstrate highest level of integrity (including conflict of interest, disclosures, maintenance of confidentiality, etc.).
- Public Interest Director shall strictly adhere to the provisions of the SEBI SECC Regulations, 2018 and any other regulatory provision, as applicable, along-with the code of conduct and code of ethics prescribed under other applicable regulatory norms.
- Public Interest Director shall provide disclosures such as dealing in securities and other regulatory disclosures on timely basis.
- Public Interest Director shall confirm on being a Fit & Proper person.
- Public Interest Director shall confirm that he/she doesn't disclose confidential information, including technologies, unpublished price sensitive information, unless such disclosure is expressly approved by the Board of Directors or required under the applicable laws.

k) Independence:

- Public Interest Director shall be independent from the Company and the other directors and there shall be no conflict of interest.
- Public Interest Director shall confirm of his/her non-association with the Company and its member.
- Public Interest Director shall keep regulators informed of material developments in the Company's functioning, from time to time.

l) Independent views and judgment:

- Public Interest Director shall exercise his/ her own judgment and voice his/her opinion freely.
- Public Interest Director's participation in decisions taken during meetings shall be unbiased, based on ethical judgment and in strict conformity to the applicable regulatory norms.
- Public Interest Director shall raise his/her concern if anything is observed contrary to regulatory norms and the expected norms of ethical conduct.
- Public Interest Director shall be committed to ensure that there is fairness and integrity in the Company's system, in letter as well as spirit.

(B) Evaluation of Non-Independent Directors of NCCL:

Evaluation mechanism:

The evaluation of Non-independent directors of NCCL shall be done annually by the entire board, excluding the director being evaluated. The questionnaire developed (attached as **Annexure - 2**) on the basis of criteria for performance review of Non-independent Director specified in this Policy shall be used for evaluation.

Criteria for performance review of Non-independent Directors of NCCL:

• Qualifications and Experience:

Possesses professional qualification and experience in the area of Capital Markets, Finance and Accountancy, Legal and Regulatory Practice, Technology, Risk Management, Management, Administration or any other area relevant to NCCL. Sufficient understanding and knowledge of the Company and the sector in which it operates.

- Integrity:
Demonstrates highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.)
- Leadership:
Displays efficient leadership, is open-minded, courteous, displays professionalism, decisive etc.
- Governance:
Exercises and encourages independent judgement, ensures implementation of good governance practices and compliance.
- Analysis:
Deliberates in detail and seeks clarifications on or amplification of information as required.
- Quality of decision-making:
Probes effectively and constructively to test the assumptions and validate the information for quality decision-making, actively supports worthwhile ideas and proposals.
- Engagement:
Maintains satisfactory attendance, diligently prepares and remains well-informed.
- Commitment:
Sufficiently committed to the Board and its meetings.
- Interaction:
Communicates meaningfully in an open, constructive manner, gives a fair chance to others for expressing their views.
- Stakeholders:
Takes informed and balanced decisions particularly in case of conflicting interests and is able to keep shareholders' interest in mind during discussions and decisions.

(C) Evaluation of Managing Director & CEO of NCCL:

Evaluation mechanism:

The evaluation of Managing Director & CEO of NCCL shall be done annually by the entire board, excluding the MD being evaluated. The questionnaire developed (attached as **Annexure - 3**) on the basis of criteria for performance review of Managing Director & CEO specified in this Policy shall be used for evaluation. The evaluation of Managing Director & CEO will be also based on Board approved Key Results Areas ('KRAs') and its achievements. The Public Interest Directors shall also assess the performance of the Managing Director & CEO on an annual basis.

Criteria for performance review of Managing Director & CEO of NCCL:

- Qualifications and Experience:
Possesses professional qualification and experience in the area of Capital Markets, Finance and Accountancy, Legal and Regulatory Practice, Technology, Risk Management, Management, Administration or any other area relevant to NCCL. Sufficient understanding and knowledge of the Company and the sector in which it operates.



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- Integrity:
Demonstrates highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.)
- Leadership:
Displays efficient leadership, is open-minded, courteous, displays professionalism, decisive etc.
- Governance:
Exercises and encourages independent judgement, ensures implementation of good governance practices, risk management and compliance.
- Business knowledge:
Develops an inspiring and shared vision and evolves and executes a well-conceived strategy and has a good understanding of business environment and mitigation of risks.
- Functional knowledge:
Has a good knowledge of key functions and has a working knowledge of other functions.
- Competitive edge:
Benchmarks various processes against the best in industry and proactively seeks to institutionalise them and focuses on innovation to become the best.
- People development:
Possesses humility and positivity, remains open to criticism and encourages divergent views and is a team worker.
- Quality of decision-making:
Probes effectively and constructively to test the assumptions and validate the information for quality decision-making, actively supports worthwhile ideas and proposals.
- Analysis:
Deliberates in detail and seeks clarifications on or amplification of information as required.
- Performance:
Achieves the objectives even in adverse external conditions and implements performance management systems and seeks from self and others continuous improvement. Strives for market share growth, profitability, geographical expansion and technological competitiveness.
- Engagement:
Maintains satisfactory attendance, diligently prepares and remains well-informed.
- Commitment:
Sufficiently committed to the Board and its meetings. Ensures conduct of effective meetings.
- Interaction:
Communicates meaningfully in an open, constructive manner, gives a fair chance to others for expressing their views. Ensures two-way communication of Strategy, Goals, Expectations and concerns clearly with subordinates / teams

- Succession Plan:
Develops and reviews succession planning for effective department / teams.
- Stakeholders:
Takes informed and balanced decisions particularly in case of conflicting interests and is able to keep shareholders' interest in mind during discussions and decisions.

(D) Evaluation of Chairperson of NCCL:

Evaluation mechanism:

The evaluation of Chairperson of NCCL shall be done annually by the entire board of directors, excluding the Chairperson being evaluated. The questionnaire developed (attached as **Annexure - 4**) on the basis of criteria for performance review of Chairperson specified in this Policy shall be used for evaluation.

Criteria for performance review of Chairperson of NCCL:

- Qualifications and Experience:
Possesses professional qualification and experience in the area of Capital Markets, Finance and Accountancy, Legal and Regulatory Practice and Technology. In addition, possesses qualification and experience in the area of Risk Management, Management, Administration or any other area relevant to NCCL. Sufficient understanding and knowledge of the Company and the sector in which it operates.
- Integrity:
Demonstrates highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.)
- Leadership:
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.
- Governance:
Exercises and encourages independent judgement, ensures implementation of good governance practices and compliance.
- Impartiality:
Impartial in conducting discussions, seeking views and dealing with dissent, etc.
- Meeting dynamics:
Conducts structured meetings, allocating more time for more important subjects, endeavours to arrive at well-reasoned decisions by consensus in the long-term interest.
- Culture:
Focuses on systems which build performance culture, seeks to build a culture of profitable and sustainable growth.



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- Quality of decision-making:
Probes effectively and constructively to test the assumptions and validate the information for quality decision-making, actively supports worthwhile ideas and proposals.
- Analysis:
Deliberates in detail and seeks clarifications on or amplification of information as required.
- Commitment:
Sufficiently committed to the Board and its meetings.
- Engagement:
Maintains satisfactory attendance, diligently prepares and remains well-informed.
- Interaction:
Communicates meaningfully in an open, constructive manner, gives a fair chance to others for expressing their views.
- Stakeholders:
Takes informed and balanced decisions particularly in case of conflicting interests and is able to keep minority shareholders' interest and other non-shareholding stakeholders' interest in mind during discussions and decisions.

(E) Evaluation of Board as a whole of NCCL:

Evaluation mechanism:

The evaluation of Board as a whole of NCCL shall be done annually by the entire board. The questionnaire developed (attached as **Annexure - 5**) on the basis of criteria for performance review of Board as a whole specified in this Policy shall be used for evaluation.

Criteria for performance review of Board as a whole of NCCL:

(I) Structure of the Board:

- Competency of directors:
Board has directors with a proper mix of competencies to conduct its affairs effectively.
- Experience of directors:
Board has directors with enough experience to conduct its affairs effectively.
- Mix of qualifications:
Board has directors with a proper mix of qualifications to conduct its affairs effectively.
- Diversity in Board under various parameters:
There is sufficient diversity in the Board on the parameters viz. Gender / background / competence / experience etc.



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- Appointment to the Board:
The process of appointment to the board is clear and transparent and includes provisions to consider diversity of thought, experience, knowledge, perspective and gender in the board of directors.

(II) Meetings of the Board:

- Regularity of meetings:
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.
- Logistics:
The logistics for the meeting is being handled properly - venue, format, timing, etc.
- Agenda:
The agenda is circulated well before the meeting; the agenda has all relevant information to take decision on the matter; outstanding items of previous meetings are followed-up and taken up in subsequent agendas; the time allotted for every item (especially substantive items) in the agenda of the meeting is sufficient for adequate discussions on the subject.
- Discussions and dissent:
Board discusses every issue comprehensively and depending on the importance of the subject; the environment of the meeting induces free-flowing discussions, healthy debate and contribution by everyone without any fear or fervour; all members actively participate in the discussions and overall, the Board functions constructively as a team.
- Recording of minutes:
The minutes are being recorded properly- clearly, completely, accurately and consistently; minutes are approved properly in accordance with set procedures; minutes are timely circulated to all the Board members; dissenting views, if any, are recorded in the minutes.
- Dissemination of information:
All the information pertaining to the meeting are disseminated to the members timely, frequently, accurately, regularly; Board is adequately informed of material matters in between meetings.

(III) Functions of the Board:

- Role and responsibilities of the Board:
Role and responsibilities of the Board are clearly documented.
- Strategy and performance evaluation:
Significant time of the Board is being devoted to management of current and potential strategic issues; various scenario planning is used to evaluate strategic risks; Board overall reviews and guides corporate strategy, major plans of action, risk policy, annual budgets and business plans, monitors implementation and corporate performance, and oversees major capital expenditures, acquisitions and divestments.



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- Governance and compliance:
Adequate time of the Board is being devoted to analyse and examine governance and compliance issues; Board monitors the effectiveness of its governance practices and makes changes as needed; Board ensures the integrity of the entity's accounting and financial reporting systems; Board evaluates and analyses the compliance certificate from the auditors / practicing company secretaries regarding compliance of conditions of corporate governance.
- Evaluation of Risks:
Board undertakes a review of the high risk issues impacting the organization regularly and in assessment of risks, 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.
- Conflict of interest:
Board monitors and manages potential conflicts of interest of management, members of the board of directors and shareholders; 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.
- Stakeholder value and responsibility:
The decision making process of the Board is adequate to assess creation of stakeholder value; 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.
- 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 of directors and also a member of a committee of board of directors and any criticism by such directors is taken constructively.

(IV) Board and Management:

- Evaluation of performance of the management and feedback:
The Board evaluates and monitors management, especially the CEO regularly and fairly and provides constructive feedback and strategic guidance.
- Independence of the management from the Board:
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:
The Board and the management are able to actively access each other and exchange information.

- Secretarial support:
Adequate secretarial and logistical support is available for conducting Board meetings.
- Fund availability:
Sufficient funds are made available to the Board for conducting its meeting effectively, seeking expert advice. e.g. Legal, Accounting, etc.
- Succession plan:
An appropriate and adequate succession plan is in place and is being reviewed and overseen regularly by the Board.

(V) Professional development:

- Adequate induction and professional development programmes are made available to new and old directors to ensure that the members of board of directors are kept up to date.

(F) Evaluation of Committees of the Board of NCCL:

Evaluation mechanism:

The evaluation of Committees of the Board of NCCL shall be done annually by the entire board. The questionnaire developed (attached as **Annexure - 6**) on the basis of criteria for performance review of Committees of the Board specified in this Policy shall be used for evaluation.

Criteria for performance review of Committees of the Board of NCCL:

- The mandate, composition and working procedures of the Committee is clearly defined and disclosed.
- The Committee is effective in carrying out its mandate and is confronting important, meaningful issues.
- The Committee has been structured properly and regular meetings are being held.
- The members of the Committee provide an independent opinion on agenda items while respecting the assent or dissent of other members.
- Adequate independence of the Committee is ensured from the Board.
- The minutes of the Committee meetings are effectively prepared.
- The Committee encourages two-way communication between the Committee and Management.
- The significant recommendations of the Committee are communicated to the Board.
- The Committee's recommendations contribute effectively to the decisions of the Board.

(G) Assessment of quality, quantity and timeliness of the flow of information to the Board of NCCL:

Evaluation mechanism:

The assessment of quality, quantity and timeliness of the flow of information to the Board of NCCL shall be done annually by the Independent Directors. The questionnaire developed (attached as **Annexure - 7**) on the basis of criteria for assessment of quality, quantity and timeliness of the flow of information to the Board specified in this Policy shall be used for evaluation.

Criteria for assessment of quality, quantity and timeliness of the flow of information to the Board of NCCL:

- Financial Results (Quarterly and Annual) reporting
- Business Strategy
- Business Performance
- Risk Management
- Regulatory Updates
- People Development
- Annual Report
- Internal Audit
- Secretarial related matters

10. ASSESSMENT PROCESS

- Questionnaire to be sent individually to all the Directors to assess the performance of all other Directors, the Board as a whole and its committees and assign appropriate assessment scores.
- The evaluation of performance of Board, its committees and individual directors shall be carried out by the Nomination and Remuneration Committee and the Board or by an independent external agency and review its implementation and compliance.
- Based on the assigned assessment scores, evaluations are to be carried out by the Independent Directors, Nomination and Remuneration Committee and the Board for each financial year as per below:

Sr. No.	Nature of Review / Evaluation	To be done by
1	Review / Evaluation of performance of Non-Independent Directors and Managing Director & CEO	Independent Directors
2	Review / Evaluation of performance of the Board as a whole	
3	Review / Evaluation of performance of Chairperson of the Company, taking into account the views of executive directors and non-executive directors	
4	Assess the quality, quantity and timeliness of flow of information between the company management and the Board	
5	Review / Evaluation of performance of Non-Independent Directors and Managing Director & CEO	Nomination & Remuneration Committee and Board
6	Review / Evaluation of performance of Independent Directors / Public Interest Directors	
7	Review / Evaluation of performance of Committees of the Board	
8	Review / Evaluation of performance of Board as a whole	

11. FEEDBACK AND IMPLEMENTATION

Feedback is crucial for success of Board Evaluation and hence feedback, if any, should be provided to the individual directors. For effectiveness of the evaluation, it is essential that the feedback be given honestly and without bias. Based on the analysis of the evaluation, areas of improvement required for the Board shall be identified and implemented within the specified timelines.
