



Arman Financial Services Limited

POLICY FOR EVALUATION OF THE PERFORMANCE OF THE BOARD OF DIRECTORS

1. INTRODUCTION

Aims:

- a) Establishing a procedure for conducting periodical evaluation of Directors' performance
- b) Formulating the criteria for determining qualification, positive attribute and independence of each and every director of the Company.
- c) Ensuring that the committees to which the Board of Directors has delegated specific responsibilities are performing efficiently in conformity with the prescribed functions and duties.
- d) The Nomination and Remuneration Committee shall carry out the evaluation of performance of every Director, key managerial personnel in accordance with the criteria laid down.

2. OBJECTIVE

- a) To formulate the procedures and
- b) To prescribe and lay down the criteria to evaluate the performance of the entire Board of the Company.

3. RESPONSIBILITY

- a) Responsibility of the Chairperson

It shall be the duty of the Chairperson of the Board, who shall be supported by a Compliance officer 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.

- b) Responsibility of the Board

The Board of Directors shall undertake the following activities on an annual basis —

- Discuss and analyze its own performance during the year together with suggestions for improvement thereon, pursuant to the performance objectives.
- Review performance evaluation reports of various committees along with their suggestions on improving the effectiveness of the committee.
- Review the various strategies of the Company and accordingly set the performance objectives for Directors.
- Ensure that adequate disclosure is made with regard to performance evaluation in the Board's Report.

c) Responsibility of the Nomination & Remuneration Committee

It shall evaluate the performance of individual Directors of the Company.

d) Responsibility of Independent Directors

The independent directors at their separate meetings shall:

- Review the performance of non-independent directors and the Board as a whole;
- Review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- 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.
- Evaluation of Independent Director shall be carried on by the entire Board of Directors of the Company except the Director getting evaluated.

4. POLICY REVIEW

Subject to the approval of Board of Directors, 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. The Policy may be amended by passing a resolution at a meeting of the Nomination and Remuneration Committee.

5. DISCLOSURE

a) In the Board’s Report

The manner in which the performance evaluation has been done by the Board of Directors of its own performance, performance of various committees of directors and individual directors’ performance.

b) On Company’s official website

The Policy is to be made available on Company’s official website.

c) In the annual report

The key features of this Policy are to be included in the corporate governance statement contained in the annual report of the Company