



**POLICY FOR EVALUATION OF THE
PERFORMANCE OF THE BOARD OF
DIRECTORS
Of
FINO PAYMENTS BANK LIMITED**

Document Review and Approval
Revision history

	Summary of Change	Prepared By	Recommended by (Mgt Com)	Approved by	Ver No.	Effective Date
1	First release	Basavraj Loni (Company Secretary), Head Secretarial and Legal	Nomination and Remuneration Committee	Board of Directors	1.0	<i>November 2021</i>
2	Second release	Basavraj Loni Company Secretary, DVP- Legal	Nomination and Remuneration Committee	Board of Directors	2.0	<i>November 01, 2023</i>

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1. PREFACE:

As per the provisions of the Companies Act, 2013 read with the Rules framed thereunder (“Act”) and Regulation 19 read with Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”), the performance of the Board, Committees thereof and individual Directors is to be undertaken on an annual basis.

2. PURPOSE:

The Policy has been framed with an objective to ensure individual directors of the Fino Payments Bank Limited (“Bank”) and the Board as a whole, work efficiently and effectively in achieving their functions, for the benefit of the Bank 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 Bank (“Independent Directors”));
- (ii) the Board as a whole; and
- (iii) various committees of the Board (“Board Committees”).

3. OBJECTIVES:

The key objectives of this policy are as under:

- a. Ensure compliance with applicable laws, rules and regulations as well as 'Fit and Proper criteria' of directors before their appointment;
- b. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director;
- c. Put in place an evaluation framework for evaluation of the Board, Directors, Chairperson and Committees.

4. MANNER OF EVALUATION:

The performance evaluation shall be undertaken in the following manner:

a. Performance evaluation of the Board:

Sr. No.	Performance Evaluation of	Performance evaluation to be undertaken by	Relevant section/ provision of the Act and LODR
1.	Board Committees	<ul style="list-style-type: none">• The Board	<ul style="list-style-type: none">• Sec. 134(3)(p) of the Act
2.	Performance of the Board as a whole	<ul style="list-style-type: none">• The Board• Independent directors at their separate meeting	<ul style="list-style-type: none">• Sec. 134(3)(p) of the Act• Sch. IV(VII)(3)(a) of the Act

Accordingly, performance evaluation of the Board and its Committees is required to be undertaken by the Independent Directors and by the Board as a whole.

b. Performance evaluation of Directors:

Sr. No.	Performance Evaluation of	Performance evaluation to be undertaken by	Relevant section/ provision of the Act and LODR
1.	Chairman and Non-Independent Directors	<ul style="list-style-type: none">Independent directors at their separate meeting	<ul style="list-style-type: none">Sch. IV(VII)(3)(b) of the ActRegulation 25(4)(a), 25(4)(b) of LODR
2.	Independent Directors	<ul style="list-style-type: none">The Board (excluding the director being evaluated)	<ul style="list-style-type: none">Sch. IV(VIII)(1) of the ActRegulation 17(10) of LODR
3.	Each Director	<ul style="list-style-type: none">Nomination & Remuneration CommitteeThe Board	<ul style="list-style-type: none">Sec. 178(2) of the ActSec. 134(3)(p) of the Act

Accordingly, Performance Evaluation by Board of its own performance and that of its committees and Individual Directors is required to be undertaken by the Board.

5. METHOD OF EVALUATION

The Bank may undertake an internal assessment by way of through the distribution of a comprehensive questionnaire to individual directors, committees, and the Board, or through the administration of oral assessments in the form of interviews conducted with the relevant personnel. The Bank may enlist external experts to bring an element of independence to the evaluation process. It is crucial, however, to exercise caution and ensure that the external assessor is not a related party or conflicted due to proximity to the Board, in order to maintain impartiality.

6. FEEDBACK

Providing feedback to the individual directors, the Board and the Committees is crucial for success of Board Evaluation. On collation of all the responses, the feedback may be provided in one or more of the following ways:

- a. Orally given by Chairman/ external assessor or any other suitable person to:
 - i. Each Member separately
 - ii. To the entire Board
 - iii. To the Committees
- b. A written assessment to every member, Board and Committee

The active role of the Chairperson is desirable in providing feedback to the members. If members are not comfortable to open individual assessments, provision for confidentiality may be made where possible. For effectiveness of the evaluation, it is essential that the feedback be given honestly and without bias.

7. DISCLOSURE REQUIREMENTS:

- a. A statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors shall be included in the report by Board of Directors placed in the general meeting.
- b. The performance evaluation criteria for independent directors shall be disclosed in the section on the corporate governance of the annual report.

8. AMENDMENT:

The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.

9. CONFLICT IN THE POLICY:

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down or mentioned under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

10. EFFECTIVE DATE OF THE POLICY:

This Policy will come into effect from the date of approval of the same by the Board of Directors of Company.
