

**NICCO UCO ALLIANCE CREDIT
LIMITED**

**POLICY FOR EVALUATION OF THE
PERFORMANCE OF THE BOARD OF
DIRECTORS**

1. Background

Nicco Uco Alliance Credit Limited (the “Company”) believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior, in consonance with the Company’s Code of Conduct for Board and Senior Management Personnel.

The honesty, integrity and sound judgement and performance of the Directors and the senior management are key criteria for success and for building a good reputation of the Company. Each Director and executive in the senior management are expected to comply with the letter and spirit of this Policy for Evaluation of the Performance of the Board of Directors (“Policy”). Any actual or potential violation of the Code of Conduct for Board and Senior Management Personnel and this Policy by the Directors would be a matter of serious concern for the Company.

Therefore, the Company has formulated this Policy to comply with various provisions under the Companies Act, 2013 (“Act”) and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and also the formal annual evaluation made by the Board of its own performance (self-appraisals) and that of its committees and individual directors as mentioned under the clause (p) of sub-section (3) of Section 134 of the Act. The Committee shall evaluate the performance of each of the director as per sub section (2) of Section 178 of the Act and based on the functions of the Independent Directors as indicated under Schedule IV (as per Section 149) annexed to the Act.

2. Applicability

This policy applies to the Board of Directors of the Company.
This amended policy shall become applicable from 11.11.2024.

3. Definition

- a. “**Act**” means the Companies Act, 2013, as amended from time to time and the rules made thereunder.
- b. “**Director**” or “**Board**” means the Director or the Board, in relation to the Company, and deemed to include the collective body of the Board of the Company including the Chairman of the Company.
- c. “**Independent Director**” shall mean an Independent Director as defined under Section 2 (47) to be read with Section 149 (5) of the Act.
- d. “**the Company**” means the Nicco Uco Alliance Credit Limited.
- e. “**Listing Regulations**” means Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- f. “**Policy**” shall mean this Policy for Evaluation of performance of Board of Directors of the Company.

4. Objective of Evaluation

The objective to undertake evaluation of Board and individual directors are as under:

- To ensure commitment to performance management;
- To review challenges in the dynamics of the Board or among the Board and management;
- To enhance good corporate governance;

- To develop appropriate skills, competencies and motivation on the Board.

5. Scope of Evaluation

The scope of the evaluation extends to Directors including Independent Directors, the Executive Chairman, the Managing Director / Whole Time Directors and to Key Executives on the basis of the Criteria set forth by the Nomination and Remuneration Committee.

The Key Executives shall mean all the Executives to the level of the President and above.

6. Various Kinds of Performance Evaluation

- a. **Appraisal System:** Appraisal of each Director of the Company shall be based on the criteria as stipulated by the Company from time to time. [This appraisal is mandatory and will be done under the provision of the clause (p) of sub section (3) of Section 134 of the Act.

- b. **Evaluation of the Performance**

The Committee shall evaluate the performance of each Director as per the Nomination and Remuneration Policy of the Company framed in accordance with the provisions of Section 178 of the Act and based on their functions as mentioned in the Code of Conduct of the Directors and Senior Management Personnel and the criteria for the evaluation of the performance as prescribed in Paragraph 8 of this Policy.

Evaluation of Independent Director shall be carried on by the entire Board which shall include–

- i. performance of the Directors; and
- ii. fulfillment of the independence criteria as specified in the Listing Regulations and their independence from the management.

The Directors who are subject to evaluation shall not be allowed to participate.

7. Separate meeting for Evaluation of Performance of Board Member

Evaluation of the executive Directors shall be carried out by entire Board except the executive Director being evaluated. The meeting for the purpose of evaluation of performance of Board members shall be held at least once in a year and the Company shall disclose the criteria laid down by the Committee for performance evaluation on its web site for the reference and also in the annual report of the Company.

Annual Independent Directors' (ID) meeting

- The NRC Chairman would convene an Annual ID meeting to review performance of the Board as a whole. (In the same meeting the IDs will also review the performance of the non-independent Non-Executive Directors (NEDs) and Chairman)
- Report of the ID meeting is to be provided to the Chairman of the Board by the NRC Chairman.

8. Criteria for Evaluation of Performance

The Committee has laid down the criteria for evaluation of performance of executive Directors, Independent Directors, Chairman and the Board:

- i. Attendance and contribution at Board and Committee meetings.
- ii. His / her stature, appropriate mix of expertise, skills, behavior, experience, leadership qualities, sense of sobriety and understanding of business, strategic direction to align company's value and standards.
- iii. His / her knowledge of finance, accounts, legal, investment, marketing, foreign exchange / hedging, internal controls, risk management, assessment and mitigation, business operations, processes and corporate governance.
- iv. His / her ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.
- v. Effective decision 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 colleagues on Board to maintain high standards of integrity and probity.
- vii. Recognize the role which he / she is expected to play, internal board relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board.
- viii. His / her global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc.
- ix. Quality of decision making on the company's business, human resources, understanding financial statements and business performance, raising of finance, working capital requirement, etc.
- x. His / her ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders.
- xi. His / her contribution to enhance overall brand image of the Company.

9. Overall Board Effectiveness Discussion by Chairman with Board

a. Individual Director Evaluation

i. Managing Director and Executive Director

Managing Director and Executive Director would be evaluated on goals (quantitative and qualitative) set at the beginning of the year by the Nomination and Remuneration Committee.

ii. Chairman and Non-Independent Non-Executive Director

The process for evaluation of the Chairman and non-independent NEDs is as follows:

- Self-assessment questionnaire filled in by the Chairman and non-independent NEDs
- Some indicative areas for evaluation of the non-independent NEDs include:
 - Attendance (as captured from records of meetings)
 - Contribution at Board meetings
 - Guidance/ support to management outside Board/ committee meetings
- Additionally, the Chairman may be evaluated on key aspects of the role
- Report of the ID meeting would be sent to the Chairman of the Board by the NRC Chairman. The report will cover the collective feedback of the IDs on

- Performance of the Board as a whole;
- Performance of the non-independent directors;
- Performance of the Chairman of the company.

iii. Independent Directors (IDs)

The process for evaluation of the IDs is as follows:

- Self-assessment questionnaire filled in by the IDs
- Some indicative areas for evaluation of the non-independent NEDs include:
 - Attendance (as captured from records of meetings)
 - Contribution at Board meetings
 - Guidance/ support to management outside Board/ committee meetings
- The Chairman of the Board will seek feedback from each director about their views on the Board and the directors, if any.
- The Chairman of the Board will provide feedback on individual basis, as appropriate.

b. Board Committee Evaluation

- Committees (Audit Committee, NRC, Committee of the Board and any additional committee as per the Board's discretion) may use a questionnaire-based mechanism for the purpose of evaluation on an annual basis.
- Evaluation inputs need to be sought from committee members
- Some indicative areas for evaluation of Board committees include:
 - Degree of fulfillment of key responsibilities
 - Adequacy of Board Committee composition
 - Effectiveness of meetings,
 - Committee Dynamics,
 - Quality of relationship of the committee with Board and the management.

The self-evaluation report in terms of the Committee Report will need to be provided to the Board. A discussion on this report with the Board may then be facilitated by the Chairman of the committee.

10. Review of the Policy

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.

11. Interpretation

In any circumstance where the terms of this Policy are inconsistent with any existing or newly enacted law, rule, regulation or standard governing the Company, the said law, rule, regulation or standard will take precedence over this Policy.