

## **XCHANGING SOLUTIONS LIMITED-BOARD EVALUATION POLICY**

### **1. PREAMBLE**

The Board of Directors (the “Board”) of Xchanging Solutions Limited (the “Company” or “XSL”), acknowledges its intention to establish and follow best practices in Board governance in order to fulfill its fiduciary obligation to all the stakeholders. It has adopted the following Policy and procedures with regard to evaluation of the Board, Committees and Individual Directors on the effectiveness of their performance in a rigorous and structured manner to ensure that their contribution is reflected in the growth of the Company whilst adhering to highest corporate governance standards.

This Policy is to regulate the evaluation of the Performance of the Board as a whole, Committees and Individual Directors (including the Independent Directors) based on the laws and regulations applicable to the Company.

### **2. DEFINITIONS**

- a) **“Board”** means Board of Directors of the Company.
- b) **“Company”** means Xchanging Solutions Limited.
- c) **“Companies Act, 2013”** means the Companies Act, 2013 read with the Rules framed thereunder (including any modification(s) / amendment(s) / re-enactment(s) thereof) (the “Act”).
- d) **“Committee”** means Nomination and Remuneration Committee of Board of Directors of the Company.
- e) **“Directors”** mean Directors of the Company.
- f) **“Independent Director”** means a Director referred to in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.
- g) **“Key Managerial Personnel”** means key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013.
- h) **“Senior Management”** shall mean officers/personnel of the listed entity who are members of its core management team excluding Board of Directors and normally this shall comprise all members of management one level below the Chief Executive Officer/Managing Director/Whole Time Director/Manager (including Chief Executive Officer/Manager, in case they are not part of the Board) and shall specifically include Company Secretary and Chief Financial Officer.
- i) **“Policy”** means Board Evaluation Policy.

### **3. PURPOSE**

This Policy is framed as per requirement of Sections 134, 178, Schedule IV of the Companies Act, 2013 (“Act”) read with applicable Rules under the Act and Regulation 19 or other applicable regulations of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 (“Listing Regulations”) The purpose of the Performance evaluation of Board as a whole, Committees and Individual Directors is:

- To give every Director an opportunity to evaluate and discuss the Board's and Committees' performance with candor and from multiple perspectives;
- To enable every Director to have a closer working relationship among themselves
- To ensure greater efficiency in the use of the Board's time; and
- To increase the effectiveness of the Board as a governing body.

#### **4. PERFORMANCE EVALUATION FRAMEWORK FOR BOARD, COMMITTEE AND INDIVIDUAL DIRECTORS**

4.1. The performance evaluation framework consists of three parts / categories as per below:

- Performance Evaluation of the Board as a whole;
- Performance Evaluation of Committees; and
- Performance Evaluation of Individual Directors

4.2. The evaluation of Independent Directors shall be done by the entire Board of Directors which shall include:

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

Provided that in the above evaluation, the Directors who are subject to evaluation shall not participate.

4.3. The role of the Individual Directors during evaluation will be as follows:

- Complete self-evaluation of the Board as a whole;
- Complete self-evaluation of the Committee(s); and
- Take part in peer evaluation of all your colleagues on the Board.

#### **5. EVALUATION PROCESS**

The Evaluation Process for all the aforesaid categories shall be carried out as follows:

- The evaluation process shall be carried out annually i.e. once in a financial year;
- The respective Chairman as mentioned below shall lead the evaluation process for the Board as a whole, Committees and Individual Directors every year:
  - The Chairman of the Nomination and Remuneration Committee in case of performance evaluation of the Board as a whole;
  - The Chairman of the Committee(s) in case of performance evaluation of the Committee(s); and
  - The Chairman of the Board in case of performance evaluation of individual Directors.

The aforesaid processes shall be co-ordinated / assisted by Key Managerial personnel who will assist therespective Chairman in the evaluation process.

- The Independent Directors in their meeting shall:
  - Review the performance of non-independent Directors and the Board of Directors as a whole



- Assess the quality, quantity and timeliness of the flow of information between the management and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties
- The Evaluation Forms contains both qualitative and quantitative observations for evaluation of performance of the Board as a whole, Committees and the individual Board members (including the Independent Directors).
- The Company Secretary shall send the said Evaluation Forms to each Individual Directors.
- Every Director shall complete the forms and return them to the Company Secretary.
- The Company Secretary shall analyze all the evaluation forms received from the Directors. The information obtained from the forms will be collated and further reviews/feedback if any mentioned by the Directors shall be presented to the Board for its consideration and for taking further course of action. The completed forms received from the Directors will be kept under the custody of the Company Secretary.
- The Nomination and Remuneration Committee is responsible for formulating criteria for evaluation of performance of the Board as a whole, Committees and the individual Board members (including the Independent Directors) and the format of Evaluation Forms and recommend to the Board.

## **6. 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.

## **7. AMENDMENTS TO THE POLICY**

The Board of Directors, on its own and / or as per the recommendations of Nomination Remuneration Committee can amend this Policy as and when deemed fit. Any or all provisions of this Policy would be subject to revision/amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

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.

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Initial Policy w.e.f.: November 6, 2015  
Version 1.0: March 28, 2019  
Revised w.e.f.: February 10, 2022

**FORM FOR PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND  
INDIVIDUAL DIRECTORS**

The performance evaluation of Board, Committees and Individual Directors will enable every director to evaluate and discuss the Board's and Committees' performance with candor and from multiple perspectives. It ensures that their contribution is reflected in the growth of the Company whilst adhering to highest corporate governance standards.

Performance evaluation focuses on specific issues and questions for evaluating the following categories by every director of the Board:

1. Board as a whole
2. Committees
3. Individual Directors and Chairperson

**For Financial year ended .....**

**I. EVALUATION OF BOARD AS A WHOLE**

S. No	Assessment Criteria	Rating (10- Excellent and 1-Poor)	Comments/Suggestions (in any)
1	<b><u>Composition and Competency:</u></b> The Board has adequate number of Board Members and have appropriate balance of skills, experience, and backgrounds		
2	<b><u>Efficiency of the Board:</u></b> The Board and committee members have sufficient expertise and knowledge to ask key questions, challenge management and make a judgement about the level of performance		
3	<b><u>Inputs from Board members:</u></b> The Board has taken adequate and timely inputs from the Board members prior to setting of the Agenda for the meeting		
4	<b><u>Organization of Meetings:</u></b> The Board calendar is organized effectively with respect to the number of meetings, timing of each meeting and location?		
5	<b><u>Board meetings presentations:</u></b> The presentations at Board meetings are generally of the appropriate length and content		
6	<b><u>Matters discussed in Board Meetings:</u></b> Board meetings are properly focused on significant matters such as strategy and policy. At the same time discussions are properly balanced between Short - term Vs Long - term and "larger picture" Vs small details.		
7	<b><u>Participation in Board meetings:</u></b> Board meetings allow sufficient time for everyone to participate & discuss the business at hand		
8	<b><u>Level of independence:</u></b> There is an adequate level of independence of the management from the Board		

9	<p><b><u>Conflict of Interest:</u></b> The Board monitors and manages potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions</p>		
10	<p><b><u>Trust:</u></b> There is a healthy climate of trust between the Board &amp; the senior leadership team</p>		

Signature: .....

**Name of Director :** .....

**II. EVALUATION OF COMMITTEES**

S. No.	Assessment Criteria	Rating (10-Excellent and 1-Poor)		Comments/Suggestions (in any)
1	There is a clarity in role & expected outputs of the Board - Committees	Committee*	Rating	
		NRC		
		AC		
		CSR		
		SRC		
		RMC		
		ID		
2	The presentations at Committee meetings are generally of the appropriate length and content	Committee*	Rating	
		NRC		
		AC		
		CSR		
		SRC		
		RMC		
		ID		
3	Committee meetings allow for candid, constructive discussion and critical questioning	Committee*	Rating	
		NRC		
		AC		
		CSR		
		SRC		
		RMC		
		ID		
4	The committee /s is/are effective in carrying out its/their mandate	Committee*	Rating	
		NRC		
		AC		
		CSR		
		SRC		
		RMC		
		ID		

Signature: .....

**Name of Director :** .....

\* Note  
 NRC- Nomination & Risk Management Committee  
 AC- Audit Committee  
 CSR- Corporate Social Responsibility Committee  
 SRC- Stakeholder Relationship Committee  
 RMC- Risk Management Committee  
 ID- Committee of Independent Directors.

**III. EVALUATION OF INDIVIDUAL DIRECTORS AND CHAIRPERSON OF THE BOARD**

S. No.	Assessment Criteria	Rating (10-Excellent and 1-Poor)	Comments/Suggestions (in any)
<b>(A) <u>Evaluation of Individual directors:</u></b>			
1	<b><u>Knowledge and competency:</u></b> The directors have required competencies for effective functioning of the entity and have sufficient understanding and knowledge of the entity and the sector in which he operates		
2	<b><u>Fulfillment of functions:</u></b> The directors understand and fulfill the functions as assigned to them by the Board and the law (e.g. Law imposes certain obligations on independent directors)		
3	<b><u>Independence and Conflict of interest:</u></b> The directors are independent from the entity and from the other directors and there is no conflict of interest		
<b>(B) <u>Evaluation of Chairperson of the Board:</u></b>			
4	<b><u>Efficiency:</u></b> 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.		
5	<b><u>Commitment:</u></b> The Chairperson is sufficiently committed to the Board and its meetings		

Signature: .....

**Name of Director :** .....