

RADIANT CASH MANAGEMENT SERVICES LIMITED

CRITERIA FOR EVALUATION

BOARD EVALUATION MECHANISM AS A PART OF THE TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE, THAT FORMS A PART OF THE NOMINATION AND REMUNERATION POLICY

CRITERIA FOR EVALUATION OF THE BOARD:

A. Structure of the Board

- Competency of directors
- Experience of directors
- Mix of qualifications
- Diversity in Board under various parameters
- Appointment to the Board

B. Meetings of the Board

- Regularity of meetings
- Frequency of meetings
- Logistics
- Agenda
- Discussions and dissent
- Recording of minutes
- Dissemination of information

C. Functions of the Board

- Strategy and performance evaluation
- Governance and compliance
- Evaluation of Risks
- Grievance redressal for Investors
- Conflict of interest
- Stakeholder value and responsibility
- Corporate culture and values
- Review of Board evaluation

- Facilitation of independent directors
- Evaluation of performance of the management and feedback
- Independence of the management from the Board
- Access of the management to the Board and Board access to the management
- Secretarial support
- Fund availability
- Succession plan
- Professional development

CRITERIA FOR EVALUATION OF NON-INDEPENDENT DIRECTORS

- Knowledge and Competency
- Fulfillment of functions
- Ability to function as a team
- Initiative
- Availability and attendance
- Commitment
- Contribution
- Integrity

CRITERIA FOR EVALUATION OF INDEPENDENT DIRECTORS:

- Knowledge and Competency
- Fulfillment of functions
- Ability to function as a team
- Initiative
- Availability and attendance
- Commitment
- Contribution
- Integrity
- Independence

CRITERIA FOR EVALUATION OF CHAIRMAN

- Knowledge and Competency
- Fulfillment of functions
- Ability to function as a team
- Initiative
- Availability and attendance
- Commitment
- Contribution
- Integrity
- Effectiveness of leadership and ability to steer the meetings
- Impartiality
- Ability to keep shareholders' interests in mind

CRITERIA FOR EVALUATION OF THE COMMITTEES:

- Mandate and Composition
- Effectiveness of the Committee
- Structure of the Committee and meetings
- Independence of the Committee from the Board
- Contribution to decisions of the Board

Annexures:

1. Criteria as per the Guidance Note on Board Evaluation issued by SEBI	
A. Structure of the Board	Competency of directors: The Board as a whole has directors with a proper mix of competencies to conduct its affairs effectively.
	Experience of directors: The Board as a whole has directors with enough experience to conduct its affairs effectively.
	Mix of qualifications: The Board as a whole 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 gender/ background/ competence/ experience, etc.
	Appointment to the Board: The process of appointment to the Board of directors is clear and transparent and includes provisions to consider diversity of thought, experience, knowledge, perspective and gender in the Board of directors.

B. Meetings of the Board	Regularity of meetings: The meetings are being held on a regular basis.
	Frequency:
	1. The Board meets frequently.
	2. 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:
	1. The agenda is circulated well before the meeting.
	2. The agenda has all relevant information to take decision on the matter.
	3. The agenda is up to date, regularly reviewed and involves major substantial decisions.
	4. The quality of agenda and Board papers is up to the mark (explains issues properly, not overly lengthy, etc.).
	5. The outstanding items of previous meetings are followed-up and taken up in subsequent agendas.
	6. The time allotted for every item (especially substantive items) in the agenda of the meeting is sufficient for adequate discussions on the subject.
	7. The Board is able to finish discussion and decision on all agenda items in the meetings.
	8. The agenda includes adequate information on committee activities.

Discussions and dissent:

1. The Board discusses every issue comprehensively and depending on the importance of the subject.
2. The environment of the meeting induces free-flowing discussions, healthy debate and contribution by everyone without any fear or fervor.
3. The discussions generally add value to the decision making.
4. The Board does not tend towards groupthink and critical and dissenting suggestions are welcomed.
5. All members actively participate in the discussions.
6. Overall, the Board functions constructively as a team.

Recording of minutes:

1. The minutes are being recorded properly- clearly, completely, accurately and consistently.
2. Minutes are approved properly in accordance with set procedures.
3. Minutes are timely circulated to all the Board members.
4. Dissenting views are recorded in the minutes

Dissemination of information:

1. All the information pertaining to the meeting are disseminated to the members timely, frequently, accurately, regularly.
2. The Board is adequately informed of material matters in between meetings.

C. Functions of the Board	The role and responsibilities of the Board are clearly documented E.g. difference in roles of Chairman and CEO, matters reserved for the Board, etc.
	Strategy and performance evaluation:
	1. Significant time of the Board is being devoted to management of current and potential strategic issues.
	2. Various scenario planning is used to evaluate strategic risks.
	3. The Board overall reviews and guides corporate strategy, major plans of action, risk policy, annual budgets and business plans, sets performance objectives, monitors implementation and corporate performance, and oversees major capital expenditures, acquisitions and divestments.
	Governance and compliance:
	1. Adequate time of the Board is being devoted to analyse and examine governance and compliance issues.
	2. The Board monitors the effectiveness of its governance practices and makes changes as needed.
	3. The Board ensures the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
	4. The Board oversees the process of disclosure and communications.
	5. The Board evaluates and analyses the compliance certificate from the auditors/ practicing company secretaries regarding compliance of conditions of corporate governance.
	Evaluation of Risks:
	1. The Board undertakes a review of the high-risk issues impacting the organization regularly.
	2. 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 company to excessive risk.
	Grievance redressal for Investors: The Board regularly reviews the grievance redressal mechanism of investors, details of grievances received, disposed of and those remaining unresolved.
	Conflict of interest:

1. 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.
2. A 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:
1. The decision-making process of the Board is adequate to assess creation of stakeholder value.
2. The Board has mechanisms in place to communicate and engage with various stakeholders.
3. The 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 company and the stakeholders.
4. The Board treats shareholders and stakeholders fairly where decisions of the Board of directors may affect different shareholder/ stakeholder groups differently.
5. The Board regularly reviews the Business Responsibility Reporting / related corporate social responsibility initiatives of the company and contribution to society, environment etc.
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.

D. Board & Management	Evaluation of performance of the management and feedback:
	1. The Board evaluates and monitors management, especially the CEO regularly and fairly and provides constructive feedback and strategic guidance.
	2. The measures used are broad enough to monitor performance of the management.
	3. The management's performance is benchmarked against industry peers.
	4. Remuneration of the management is in line with its performance and with industry peers.
	5. Remuneration of the Board and the management is aligned with the longer-term interests of the company and its shareholders.
	6. The Board selects, compensates, monitors and, when necessary, replaces key managerial personnel based on such evaluation.
	7. The Board 'steps back' to assist executive management by challenging the assumptions underlying strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the company's focus.
	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.
	Professional development:
	1. Adequate induction and professional development programmes are made available to new and old directors.
	2. Continuous directors training is provided to ensure that the members of Board of directors are kept up to date.

NON INDEPENDENT DIRECTORS - SELF EVALUATION	
Director Type	
Name of director	
1. Criteria as per the Guidance Note on Board	
A. Knowledge and Competency	I meet the competencies as identified for effective functioning of the company and the Board
	I possess sufficient understanding and knowledge of the company and the sector in which it operates
B. Fulfillment of functions	I understand and fulfill the functions as assigned to me by the Board and the law
C. Ability to function as a team	I am able to function as an effective team- member
D. Initiative	I actively take initiative with respect to various areas
E. Availability and attendance	I am available for meetings of the Board and attend the meetings regularly and timely, without delay.
F. Commitment	I am adequately committed to the Board and the company (in my capacity as a director).
	I am sufficiently committed to the Board and its meetings (in my capacity as the Chairman of the Board).
G. Contribution	I contribute effectively to the company and in the Board meetings.
H. Integrity	I demonstrate high level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.).

Chairman Evaluation

Chairman – Self Assessment	
A. Knowledge and Competency	
<i>I meet the competencies as identified for effective functioning of the company and the Board</i>	
<i>I possess sufficient understanding and knowledge of the company and the sector in which it operates</i>	
<i>I understand and fulfill the functions as assigned to me by the Board and the law</i>	
<i>I am able to function as an effective team- member</i>	
D. Initiative	
<i>I actively take initiative with respect to various areas</i>	
<i>I am available for meetings of the Board and attend the meetings regularly and timely, without delay.</i>	
F. Commitment	
<i>I am sufficiently committed to the Board and its meetings (in my capacity as the Chairman and Managing Director of the Board).</i>	
G. Contribution	
<i>I contribute effectively to the company and in the Board meetings.</i>	
H. Integrity	
<i>I demonstrate high level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.).</i>	
<i>I exercise my own judgment and voice my opinion freely.</i>	
I. Effectiveness of leadership and ability to steer the meetings	
<i>I display efficient leadership, am open-minded, decisive, courteous, display professionalism, am able to coordinate the discussion, etc. and am overall able to steer the meeting effectively.</i>	
J. Impartiality	
<i>I am impartial in conducting discussions, seeking views and dealing with dissent, etc.</i>	
K. Ability to keep shareholders' interests in mind	
<i>I keep shareholders' interest in mind during discussions and decisions.</i>	

Section	Elements
A. Mandate and Composition	The mandate, composition and working procedures of the committee is clearly defined and disclosed.
B. Effectiveness of the Committee	The committee has fulfilled its functions as assigned by the Board and laws as may be applicable.
C. Structure of the Committee and meetings	<p>Structure of the committee: The committee has been structured properly.</p> <p>Regularity of meetings: The meetings are being held on a regular basis.</p> <p>Frequency:</p> <ol style="list-style-type: none"> 1. The committee meets frequently 2. The frequency of such meetings is enough for the committee to undertake its duties properly <p>Logistics: <i>The logistics for the meeting is being handled properly- venue, format, timing, etc.</i></p> <p>Agenda:</p> <ol style="list-style-type: none"> 1. The agenda is circulated well before the meeting. 2. The agenda has all relevant information to take decision on the matter. 3. The agenda is up to date, regularly reviewed and involves major substantial decisions. 4. The quality of agenda and Board committee papers is up to the mark (explains issues properly, not overly lengthy, etc.). 5. The outstanding items of previous meetings are followed-up and taken up in subsequent agendas. 6. The time allotted for every item (especially substantive items) in the agenda of the meeting is sufficient for adequate discussions on the subject. 7. The committee is able to finish discussion and decision on all agenda items in the meetings. 8. Adequate and timely inputs are taken from the committee members prior to setting of the agenda for the meeting. <p>Discussions and dissent:</p> <ol style="list-style-type: none"> 1. The committee discusses every issue comprehensively and depending on the importance of the subject. 2. The environment of the meeting induces free-flowing free flowing discussions, healthy debate and contribution by everyone without any fear or fervor. 3. The discussions generally add value to the decision making. 4. The committee does not tend towards groupthink and critical and dissenting suggestions are welcomed. 5. All members actively participate in the discussions. 6. Overall, the committee functions constructively as a team. <p>Recording of minutes:</p> <ol style="list-style-type: none"> 1. The minutes are being recorded properly- clearly, completely, accurately and consistently. 2. Minutes are approved properly in accordance with set procedures. 3. Minutes are timely circulated to all the committee members. 4. Dissenting views are recorded in the minutes. <p>Dissemination of information:</p> <ol style="list-style-type: none"> 1. All the information pertaining to the meeting are disseminated to the members timely, frequently, accurately, regularly. 2. The committee is adequately informed of material matters in between meetings.
D. Independence of the Committee from the Board	Adequate independence of the committee is ensured from the Board.
E. Contribution to decisions of the Board	The committee's recommendations contribute effectively to decisions of the Board.