

ABN INTERCORP LIMITED

BOARDS' DIVERSITY, EVALUATION & PERFORMANCE

Introduction:

Interactive Financial Services Limited (hereinafter referred to as “the Company”) believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of honesty, integrity, professionalism and ethical behavior. The Senior Management personnel's are the pillars of success and reputation of the Company. Each Director and executive in the Senior Management is expected to adhere to the highest standards professionalism and ethical behavior in the interest of the Company and should be abide by the letter and spirit of this Policy.

The Company has, therefore made this policy to comply with various provisions under the SEBI(Listing obligation and Disclosures Requirement)Regulation ,2015(as amended or re – enacted from time to time) entered into by the Company and Stock Exchanges in India and also the formal annual evaluation made by the Board of Directors 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 Companies Act, 2013.The Nomination & Remuneration Committee shall evaluate the performance of the each Board of Director as per sub section (2) of Section 178 and based on the functions of the Board of Directors as indicated under Schedule IV (as per section 149) annexed to the Companies Act, 2013 and the Rules made there under.

Objective:

This Policy aims to:

- i. Ensure compliance of the applicable provisions of the Companies Act, 2013(the Act) and the SEBI(Listing obligation and Disclosures Requirement) Regulation, 2015 entered into with the Stock Exchanges (as amended or reenacted from time to time) relating to the evaluation of performance of the Directors and the Board;
- ii. Adopt best practices to manage the affairs of the Company in ideal manner;
- iii. Achieve good Corporate Governance as well as sustained long-term value creation for stakeholders.

Definitions:

“The Act” shall mean the Companies Act, 2013.

“The Company” shall mean the Interactive Financial Services Limited.

“The Director(s)” or “the Board” shall in relation to the Company, shall mean and deemed to include the collective body of the Board of Directors of the Company including the Chairman of the Company.

“The Policy” or “This Policy” shall mean the Policy for evaluation of performance of Board of Directors of the Company.

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“The Committee” or “This Committee” shall mean the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligation disclosure Requirement) Regulation, 2015.

Effectiveness of the Board:

The overall effectiveness of the Board shall be measured on the basis of the ratings obtained by each Director and accordingly the Board shall decide the Appointments, Reappointments and Removal of the non-performing Directors of the Company. The Company aspires to pay performance linked remuneration to its WTDs/CMD. It will be ensured that the remuneration is determined in such a way to balance between fixed and incentive pay.

Responsibility of Board / Independent Director:

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.

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

- I. Review the various strategies of the Company and accordingly set the performance objectives for directors, consistent with the varying nature and requirements of the Company's Business.
- II. The Board as a whole shall discuss and analyze its own performance during the year together with suggestions for improvement thereon, pursuant to the performance objectives.

In conformity with the requirement of the Act, the performance evaluation of all the Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

Independent Directors are required to evaluate the performance of non – independent Directors and Board as a whole. The Independent Directors of the Company shall hold at least one meeting in a year to exercise the functions as mentioned in Act and its applicable Schedules.

Various Kinds of Performance Evaluation:

Evaluation of the Board as whole and various committees of directors of the Company shall be based on the criteria as mentioned herein below.

This evaluation is mandatory and will be done under the provisions of the clause (p) of sub – section (3) of Section 134 as per the Form A, Annexure – I to this Policy:

Criteria for Evaluation of Performance:

The Nomination and Remuneration Committee has laid down the criteria for evaluation of Performance of Independent Directors and the Board as listed below: *f*

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-Attendance and Contribution at Board and Committee Meetings; *f*

-His / Her expertise, skills, behavior, leadership qualities, sense of sobriety and understanding of business, strategies direction to align company's value and standards;

-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.

-His / Her ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions. *f*

- Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency. *f*

- Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity and probity. *f*

- 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.

-His / Her global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc. *f*

-Quality of decision making on source of raw material / procurement of roughs, export marketing, understanding financial statements and business performance, raising of finance, best source of finance, working capital requirement, forex dealings, geopolitics, human resources, etc.

-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. *f*

-His / Her contribution to enhance overall brand image of the Company.

Evaluation of the Performance:

The Nomination & Remuneration Committee shall evaluate the performance of each Board of Directors of the Company with reference of the authority in accordance with the provisions of Section 178 of the Companies Act, 2013 and evaluation of Independent Director shall be carried on by the entire Board in the same way as it is done for the Executive Directors of the Company except the Director being evaluated.

Based on the performance evaluation of each and every Director and the Chairman of the Company, the Committee shall provide the ratings based on each criteria and questions as stated in Form A appended to the end of this policy under **Annexure – I**.

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Effectiveness of the Board / Committee:

Based on the ratings given by the Nomination & Remuneration Committee to each Director, the overall effectiveness of the Board / Committee shall be measured and accordingly the Board / Committee shall decide the Appointments, Re – appointments and Removal of the non – performing Directors of the Company.

Board Member Feedback:

The Company believes in value for its stakeholders through ethical processes and integrity. The Board plays a very important role in ensuring that the Company's performance is monitored and timely inputs are given to enhance its performance and set the right direction for growth. Hence it is important that every individual Board Member effectively contributes in the Board deliberations.

Procedure to Rate the Performance:

Based on evaluation criteria, the Nomination & Remuneration Committee and the Board shall rate the performance of the each and every Director. The performance rating shall be made on the five rating criteria of Excellent, Good, Satisfactory, Below Satisfactory and Poor, where Excellent is the highest Standard and the Poor being the lowest standard to the rating. Based on the rating of performance, the Board can decide the strategy to extend or continue the term of appointment or to introduce new candidate as a member of the Board or Retirement of the member based on his / her performance rating as to create and maintain the most effective and powerful top level management of the Company for its future growth, expansion, diversification and also to maximize the returns on investments to the Stakeholders of the Company.

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“Annexure – I”

FORM A

Rating Scale: Excellent, Good, Satisfactory, Below Satisfactory & Poor

Criteria for Performance Evaluation	Question	Rating	Remark
Responsibilities & Obligations	Attendance and participations in the Meetings.		
	Board / Committee seek expert opinions in respect of the serious issues.		
Strategy	Board / Committee effectively formulate and provide strategic direction in the best interest of the Company.		
	Board / Committee successfully implemented the strategies.		
Performance Management	Board / Committee provide effective direction on key decisions impacting the performance of the company.		
	Board / Committee effectively review the financial performance of the company and suggest corrective actions.		
Execution, Investments and Merger & Acquisitions	Board / Committee advises on business investments and Merger & Acquisitions to benefit Company growth and profitability.		
Organization Health and Talent Management	The Board / Committee effectively mentors the senior members of the Company besides monitoring the succession plans of senior leaders.		
	Board / Committee ensure that the company values are adequately reflected in the way the company is run.		

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Risk Management	Board / Committee effectively reviews the risk management framework in the company.		
	Board / Committee provides appropriate direction for avoidance of High Financial Risk and any other Risk.		
Core Governance & Compliance	Board / Committee reviews the detailed compliances applicable under various Laws, Rules & Regulations.		
	Board / Committee strive towards adapting best practices in governance & Compliances.		
Achievement of Annual Targets	Board / Committee takes utmost care in achievement of manufacturing target.		
	Board / Committee takes utmost care in achievement of domestic & International sales.		
Expansion & Diversification	Board / Committee takes steps for Expansion & Diversification of the Business of the Company.		
	Board / Committee takes steps for successfully implementation of the Expansion & Diversification of the Business.		
Support to the Board	The process for setting the Board / Committee agenda is transparent, realistic to the current needs and meeting material is shared well in time.		
	The frequency and duration of the Board / Committee meetings are adequate to ensure a proper discharge of all the responsibilities.		
Conflict of Interest Management	Board / Committee has strategy to resolve the conflict of interest with the Directors.		
	Board / Committee has strategy to resolve the conflict of interest with the Employees.		

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Financial & Operational Control Mechanism	Board / Committee controls on Financial Dealings		
	Board / Committee controls on Internal Operational Activities.		
Maintaining of Corporate Culture and Moral Values	Board / Committee Initiate to maintain Corporate Culture of the Company.		
	Board / Committee Initiate to maintain Moral Values of the Company.		
Overall	Overall Board / Committee Meeting is held in open and objective manner where there is adequate opportunity for members to share their views.		

Overall Feedback to improve the Board / Committee effectiveness further:

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“Annexure – II”

Name of the Director: _____

Rating Scale: Excellent, Good, Satisfactory, Below Satisfactory & Poor

Sr. No.	Questions	Rating	Remarks
1.	Participation and attendance in Board and Committee Meetings actively and consistently		
2.	Prepares adequately for Board and Committee Meetings		
3.	Contributes to strategy and other areas impacting company's performance		
4.	Brings his/her experience and credibility to bear on the critical areas of performance of the organization		
5.	Keeps updated knowledge of his/her areas of expertise and other important areas		
6.	Communicates in open and constructive manner		
7.	Gives fair chance to other members to contribute, participates actively in the discussions and is consensus oriented		
8.	Helps to create brand image of the Company and helps the company wherever possible to resolve issues, if any		
9.	Actively contributes toward positive growth of the Company		
10.	Conduct himself / herself in a manner that is ethical and consistent with the laws of the land.		
Total Rating			

Overall Feedback to improve the Board / Committee effectiveness further: