

NUVAMA WEALTH MANAGEMENT LIMITED

POLICY FOR FORMULATION OF CRITERIA FOR EVALUATION OF PERFORMANCE OF THE BOARD OF DIRECTORS, COMMITTEES OF DIRECTORS, CHAIRPERSON AND DIRECTORS

I. BACKGROUND

The Companies Act, 2013 (“the Act”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) envisage evaluation of the performance of the Board, its committees, individual Directors and the Senior Management.

Accordingly, Nuvama Wealth Management Limited (the “Company”) has formulated this Policy in line with various applicable provisions of the Act and the Listing Regulations.

The criteria for evaluation of the Board and of each director shall be laid out by the Nomination and Remuneration Committee (the “Committee”) in accordance with this Policy and shall be approved by the Board.

II. OBJECTIVES

The objective of this Policy is to formulate the procedures and prescribe the criteria to evaluate the performance of the Board. An individual director is assessed on his/ her effective contribution and commitment to the role and responsibilities as a director.

III. EVALUATION OF THE PERFORMANCE

In compliance with the the provisions of section 178 of the Companies Act, the Committee/Board shall evaluate the performance of each of the directors on the board of the Company.

In compliance with the SEBI Listing Regulations, the evaluation of the independent directors of the Company shall be carried out by the Board excluding the independent director. The evaluation shall include: (i) the performance of the director; (ii) fulfilment of the independence criteria as specified in the Act and SEBI Listing Regulations; and (iii) and there is no conflict of interest. Further, based on the performance evaluation of independent directors, the Committee shall examine whether to extend or continue the term of appointment of the director and recommend to the Board accordingly.

IV. CRITERIA FOR EVALUATION OF PERFORMANCE

The Committee shall lay down inter-alia, the following criteria for evaluation of performance of the Board as a whole, the individual directors (including independent directors), the committees and the chairperson:

1. Overall Board evaluation:

- a. The composition of the Board and committee is adequate and commensurate with the size of the Business.
- b. The Board is aware of the Company’s mission and engages in long term strategic thinking and planning;
- c. The Board ensures that the meeting agendas are well-balanced, allowing appropriate time for the most critical issues;
- d. The Board recognizes its policy-making role, and reconsiders and revises policies, as necessary;
- e. The Board reviews and adopts an operating budget / business plan that is followed and monitored throughout the year.

2. Individual directors (including independent directors) evaluation:

- a. Attendance of the Board members in Board and committee meetings.
- b. The stature, expertise, skills, behaviour, experience, leadership qualities, of the Director and understanding of business, giving strategic direction to the Company's value and standards;
- c. knowledge of finance, accounts, legal, investment, marketing, , internal controls, risk management, assessment and mitigation, business operations, processes and corporate governance;
- d. Effective decision making ability to respond positively and constructively to implement the same to encourage more transparency;
- e. Open channels of communication with executive management and other colleagues on the Board to maintain high standards of integrity and probity;
- f. Recognise the role to be played and understand internal relationships to make decisions objectively and collectively in the best interest of the Company to achieve success and harmonising the Board;
- g. Adherence to ethical standards and disclosure of non - independence, as and when it exists and disclosure of interest.
- h. ability to function as an effective team-member;
- i. ability to exercise his/her own judgement and voices opinion freely; and
- j. His/her level of integrity, honesty, ethics and compliance with the Code.

3. Board Committees' evaluation:

- a. The composition, terms of reference, roles and responsibilities of the committees are in line with the applicable laws and are actively adhered to by the members.
- b. The committee meeting agendas are well- balanced, allowing appropriate time for the most critical issues and the Board receives timely, accurate, and useful information upon which to make decisions.
- c. The committee meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.

4. Chairperson evaluation:

- a. The chairperson of the Board guides the Board in meeting as per the requirements under the Companies Act and Listing Regulations.
- b. The chairperson conducts the Board meetings in an efficient manner facilitating open and productive discussion.
- c. The chairperson is accessible to directors. He communicates and consults with directors between Board Meetings, if required.
- d. The chairperson provides confidential and constructive feedback to directors to help them enhance their contribution and effectiveness.
- e. The chairperson is open to receive feedback and suggestions from directors to enhance Board's and his/her own effectiveness.

V. PROCESS FOR EVALUATION

The Board at its meeting held on March 25, 2023, has decided that the evaluation of the Board and the Committees has to be undertaken by the Board every year and has approved the manner in which the process needs to be carried out. The process will be initiated each year by the Chairman of the Board and the Company Secretary will facilitate the same. The Committee of Independent Directors will, based on the structured information collected on the approved parameters, by the company secretariat carry out evaluation of the performance of the Board, directors and Committees, taking into account the criteria laid down by NRC. Based on this evaluation, the Chairperson of the meeting of Independent Directors will brief

the NRC and thereafter the Board. The Board will discuss areas that are functioning well, and those that need attention and make suitable suggestions if required.

(i) Individual Director Evaluation (including independent director):

The performance evaluation of directors shall be carried out by the entire Board excluding the director being evaluated based on the deliberations at the Committee of Independent Directors and report thereon by the Chairperson of the Meeting to the NRC and thereafter to Board.

(ii) Chairperson

The performance evaluation of the chairperson shall be carried out by the entire Board. The Committee of Independent Directors will also independently carry out an evaluation of the chairperson's performance. And would provide feedback to the Board for its consideration.

VI. DISCLOSURE

This Policy shall be disclosed on the Company's website, to facilitate the stakeholders in providing the required information which is of a statutory nature, for the given period in accordance with the Policy.

VII. REVIEW OF POLICY

The Policy shall be reviewed by the Committee/Board, periodically and appropriate recommendations shall be made to the Board to update the policy based on the changes that may be brought about due to any changes in regulatory framework or otherwise. The Policy shall stand modified automatically to the extent of regulatory changes.

VIII. AMENDMENTS

The Board of Directors can amend this policy, as and when deemed fit. In case of any amendment/modification in any form viz., circular(s), notification(s), guideline(s) etc. to the Companies Act, 2013, the Listing Regulations and/or other applicable laws issued by relevant authorities not being consistent with the provisions laid down in the Policy, then such amendments(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.

Version Control:

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