

## **Hero FinCorp Ltd.**

### **Evaluation Policy and Procedures**

#### **Purpose:**

To define a framework for evaluation of Board of Directors and its Committees, and Individual Directors including Independent Directors.

#### **Coverage & Frequency:**

Evaluation should be an annual exercise and should include evaluation of –

1. The Chairperson of the Company;
2. Performance and functioning of the Board as a whole;
3. Performance and functioning of the Board's Committees;
4. Individual Directors

#### **Evaluation Guidelines:**

1. The Company, through its Nomination & Remuneration Committee, shall formulate criteria for evaluation of Directors.
2. The Company shall disclose the criteria for performance evaluation, as laid down by the Nomination & Remuneration Committee, in its Annual Report.
3. Evaluation by Independent Directors
  - a. Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-Independent Directors and members of management. All the Independent Directors of the Company shall strive to be present at such meeting.
  - b. Independent Directors in such a meeting shall:
    - i. review the performance of Non-Independent Directors
    - ii. review the performance of the Board as a whole
    - iii. review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors. This evaluation may be based upon criteria such as vision and strategy setting for the Company, ensuring functioning of the Board as a cohesive unit and promoting the core values of the Company
4. Evaluation by the Board of Directors
  - a. Evaluation of Individual Directors shall be performed by the entire Board of Directors (excluding the director being evaluated)
  - b. Evaluation of its own performance
  - c. Evaluation of Board's Committees
5. Evaluation of Executive Directors shall be performed against the specific goals assigned to them as part of their executive role and the Board shall take cognizance of such evaluation.

**Evaluation Procedures:**

1. The Chairperson of the Board may take help from the Nomination & Remuneration Committee for providing feedback.
2. The Chairperson of the Board will discuss with the concerned directors, areas that require additional focus.

\*\*\*\*\*