POLICY FOR PERFOMANCE EVALUATION/REVIEW

VERSION 7.0

Multi Commodity Exchange Clearing Corporation Limited,

Exchange Square, Suren Road,

Andheri (East), Mumbai 400093

PH: (+9122) 68646000/50956000 Fax: (+9122) 67269558

Website: www.mcxccl.com

DOCUMENT CONTROL PAGE

Document Name	**:**	**Policy for Performance Evaluation/Review**
Current Version	**:**	**7.0**

		Name	**Date**
Document Owner	**:**	**Mr. Mandar Kulkarni**	**21/07/2025**
Reviewed By	**:**	**Mr. Narendra Ahlawat**	**21/07/2025**
Approved By	**:**	**Board of Directors**	**30/07/2025**

Revision History

Version No.	Description	Prepared By / Revised By	Reviewed / Approved by	Issue / Revision Date
1.0	Initial Version	Ms. Riddhi Parekh	Reviewed by Ms. Riddhi Parekh Approved by MCXCCL Board	30/01/2018
2.0	Revision through incorporating the amendments in the Companies Act, 2013, SEBI Listing Regulations, 2015 and SECC regulations, 2018 read with SEBI circular dated Feb 05, 2019.	Ms. Riddhi Parekh	Reviewed by Mr. Narendra Ahlawat Approved by MCXCCL Board	22/04/2019
3.0	Revision through incorporating annual external evaluation covering aspects like confidentiality of report, forum and timing where report to be placed.	Mr. Mandar Kulkarni	Reviewed by Mr. Narendra Ahlawat Approved by MCXCCL Board	28/03/2020
4.0	Revision through incorporating provision relating to policy review period.	Mr. Mandar Kulkarni	Reviewed by Mr. Narendra Ahlawat Approved by MCXCCL Board	22/10/2021

5.0	Revised to include: 1. Added the definition of the 'Company'; 2. Deleted definition of the 'Independent Director'; 3. Amended definition of 'Public Interest Director'; 4. Added the provisions for Internal Evaluation of the performance of the Company; 5. Added the provisions for External Evaluation of the performance of the Company and performance of the Statutory Committees. 6. The names of PIDs for extension of their term shall be sent to SEBI atleast four (4) months prior to expiry of their first term. (Earlier this period was two (2) months) All the above changes have been made to keep in line with SECC Regulations, 2018.	Mr. Mandar Kulkarni	Reviewed by Mr. Narendra Ahlawat Approved by MCXCCL Board	25/08/2023 (Effective from August 28, 2023)
6.0	Revision to include the following: a) Provisions w.r.t. evaluation of Company is removed; b) References of SEBI circular dated January 30, 2025; c) Amended definition of 'Independent External Person', 'Management or Human Resources Consulting Firm' and 'NRC'; d) Amended parameters for internal evaluation of Committees; e) Provisions as prescribed under clause 5 of SEBI circular dated November 22, 2024; f) Deleted Point A under Part B (External Evaluation – Annually Voluntary); g) Amended and renamed Point B under Part B (External Evaluation) and h) Provision for external evaluation of Statutory Committees.	Mr. Mandar Kulkarni	Reviewed by Mr. Narendra Ahlawat Approved by MCXCCL Board	12/03/2025

7.0	Revised to amend Part D (Criteria for performance evaluation of Board Committees) of Annexure A.	Mr. Mandar Kulkarni	Reviewed by Mr. Narendra Ahlawat Approved by MCXCCL Board	30/07/2025

MULTI COMMODITY EXCHANGE CLEARING CORPORATION LIMITED

POLICY FOR PERFORMANCE EVALUATION/REVIEW

PREAMBLE:

The challenge for the Board is to prevent crisis in the organisations they govern. Performance evaluation is a key means by which boards can recognise and correct corporate governance problems and add real value to their organisations. A well-designed board evaluation can serve to highlight potential issues and promote discussion and resolution before concerns become major crisis.

OBJECTIVE(S):

The Policy has been framed with an objective to ensure individual directors of the Company ("Directors") and the Board as a whole, work efficiently and effectively in achieving their functions, for the benefit of the Company and its stakeholders. Also to improve performance on three levels – the organisational, board and individual director level. A properly executed board evaluation shall benefit across these levels in terms of improved leadership, improved teamwork, greater accountability, better decision making, improved communication, greater clarity of roles and responsibilities, and more efficient board operations.

Accordingly, the Policy provides a framework for evaluation of the performance of:

(i) Individual Directors (including Independent Directors);
(ii) Independent External Professionals / Persons (IEPs);
(iii) The Board as a whole;
(iv) Chairperson of the Board; and
(v) Various committees of the Board ("Board Committees").

REFERENCES:

The policy is framed in compliance of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015"), the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ("SECC Regulations, 2018"), as amended from time to time read with SEBI circulars no. SEBI/HO/MRD/DOP2DSA2/ CIR/P/2019/26 dated February 5, 2019 and SEBI/HO/MRD/POD-III/CIR/P/2025/12 dated January 30, 2025

DEFINITIONS:

(i) **'Associate'** means an associate referred under regulation 2(1)(b) of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.

(ii) **'Company'** means Multi Commodity Exchange Clearing Corporation Limited (MCXCCL).

(iii) **'IEPs'** mean external experts appointed on the Statutory Committees constituted under the provisions of SECC Regulations, 2018.

(iv) **'Management or Human Resources Consulting Firm'** means an Independent External Agency or Firm duly appointed by the NRC of the Company to carry-out the independent external evaluation of the performance of the PIDs/IEPs/Statutory Committees. Such consultant shall not be a related party or associated with the Company, the concerned PID or any other members of the Board.

(v) **'Nomination and Remuneration Committee ("NRC")'** means a committee constituted under the provisions of section 178 of the Companies Act, 2013, Regulation 19 of the Listing Regulations, 2015 and Regulation 29 of the SECC Regulations, 2018.

(vi) **'Public Interest Director ("PID")'** means an Independent Director, referred to in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, representing the interests of investors in securities market and who is not having any association, directly or indirectly, which in the opinion of the SEBI, is in conflict with his role.

(vii) **'Related party'** means a related party as referred in section 2(76) of the Companies Act, 2013 and as per applicable Indian Accounting Standards.

(viii) '**SECC Regulations, 2018**' means Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 including amendments thereof.

Mechanism for performance evaluation:

The mechanism for the performance evaluation/review are covered in the policy in following two parts:

1. **Part- A (Internal Annual Evaluation):**

   It covers the internal mechanism for annual evaluation of all the individual directors, IEPs, Board as a whole, Chairperson of the Board and the Board Committees (including Statutory Committees as specified under the SECC Regulations, 2018 from time to time) at the end of every financial year.

2. **Part – B (External Evaluation):**

   It covers the mechanism for external evaluation of the:

   - PIDs;
   - IEPs;
   - Statutory Committees.

PART – A (INTERNAL ANNUAL EVALUATION):

- **As per the criteria for performance evaluation/ review mentioned in Annexure A, primarily the directors and/or Committee Members shall individually:**

  i. assess the performance of every Director on the Board; (Part A of Annexure A)
  ii. assess the performance of the Board as a whole (Part B of Annexure A)
  iii. assess the performance of the Chairperson of the Board (Part C of Annexure A)
  iv. assess the performance of the Board Committees (done by the members of the respective Committee) -- (Part D of Annexure A)

- The performance of IEPs shall be evaluated by the members of the relevant Committees.

  The criteria for performance evaluation/ review are as specified under Part A of Annexure A.

Once the rating of performance of every Director including the Chairperson of the Board and Board as a Whole is completed by all the Individual Directors as per Annexure A, the Board shall carry-out the evaluation/review of performance of the Directors including the Chairperson of the Board and Board as a Whole, annually at the end of every financial year in the Board Meeting(s).

Once the rating of performance of every IEP is completed by the relevant Committee Members as per Annexure A, the Board shall carry-out the evaluation of performance of the IEP, annually at the end of every financial year in the Board Meeting.

The PIDs of the Company at their separate meeting(s) shall carry out the evaluation/review of performance of all the Non-Independent Directors of the Company, Board as a whole and Chairperson of the Company (taking into account the views of Executive and Non-Executive Directors of the Company).

The report on internal evaluation of the Committees shall be submitted to the Governing Board of the Company within 3 months from the end of each Financial Year.

Apart from above, in case of appointment and re-appointment of Directors, the Company shall carry out evaluation to assess the applications based on the skill metrics, parameters and weightage provided in the Annexure B, which would be in addition to the evaluation carried out annually as per Annexure A. Further, the Company shall take help of an Independent Human Resource Agency to independently collect/ verify the information with regard to Value Assessment, General Competencies and Domain Expertise in terms of provisions of SEBI/HO/MRD/POD-III/CIR/P/2025/12 dated January 30, 2025.

Further Action(s):

Once the performance evaluation/ review is carried out by PID Committee and Board in the Meeting, the Board or PID Committee, in accordance with the SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2018/79 dated May 10, 2018 relating to the Disclosures on Board Evaluation shall mention the following:

i. Observations of board evaluation carried out for the year.
ii. Previous year's observations and actions taken.
iii. Proposed actions based on current year observation.

PART – B (EXTERNAL EVALUATION):

A. External Evaluation (PID/IEP whose term is due to expire and seeking extension of term of appointment)

As per Regulation 24 (3) of SECC Regulations, 2018 and the circular dated February 05, 2019 of SEBI issued thereunder, the PID whose term is due to expire and seeking extension for a further term as specified in SECC Regulations, 2018 shall be subject to the performance review in the manner as specified in the above mentioned circular.

In accordance with afore mentioned circular, the PID whose term is due to expire and seeking extension for another term shall be subject to the Performance Evaluation/ review by an external 'Management or Human Resources Consulting Firm'. The following points shall be taken into consideration while considering extension of the term of PID :

1. The PID shall fulfil the Independence criteria as specified under section 149(6) of the Companies Act, 2013 and regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. While evaluating conflict of interest of a PID, the Board shall also take into consideration the provision of Clause 2(d) of Para III of Part H of Schedule II of SECC Regulations, 2018 under the head 'Public Interest Director'; and conflict of interest, if any, of any PIDs shall be disclosed to SEBI by the board with their comments/ views.

3. The PID shall not be related to any Trading Member/Clearing Member/Associate/Agents of any recognized stock exchange/ recognized clearing corporation.

   The term of existing PIDs serving in the Company for more than three years, can be extended, subject to his / her performance review and a maximum tenure of 6 years as PID in the Company. However, the term of existing PIDs, who has already served for six years or more in the Company, shall not be eligible for further extension in the Company.

   A person may be nominated as PID for maximum of three terms across recognized stock exchanges/ Clearing Corporation/ depositories, subject to maximum age limit of seventy-five years.

4. The attendance details of PID in the meetings of various committees of the Board and of the governing board of the Company.

5. Whether the concerned PID, during the term served, had identified any important issues concerning any matter which may involve conflict of interest, or have significant impact on functioning of the Company or issues which may not be in the interest of securities market as a whole and whether the PID had reported the same to SEBI or took effective steps to address the same.

Once the evaluation by the Management or a Human Resources Consulting Firm (Independent External Agency) is done, the results of the review/evaluation shall be submitted to the NRC, which shall after analyzing the results of the internal and external evaluation/ review mechanism, consider and if deemed fit. recommend to the Board, re-appointment of PID whose tenure is to be extended. In other case, NRC may recommend the Governing Board, the name of the two new candidates who are eligible to be appointed as the PID on the Governing Board of the Company.

The Governing Board after receiving the recommendations from the NRC, shall in-turn consider the same and if deemed fit, recommend to SEBI, re-appointment of PID whose tenure is to be extended or name of the two new candidates who are eligible to be appointed as the PID on the Governing Board of the Company.

Note: In terms of clause 7.3.2 of the SEBI circular ref. no. SEBI/HO/MRD/MRD-PoD-3/2024/088 dated June 25, 2024, extension of the tenure may be granted to IEPs at the expiry of the tenure subject to performance review in the manner specified by SEBI for PIDs. Therefore, the provisions applicable for the performance review of PIDs shall also be applicable to IEPs.

B. External Evaluation of the Statutory Committees

Pursuant to the provisions of Regulation 33(6) of SECC Regulations, 2018, the performance of the Statutory Committees shall be subjected to external evaluation.

Accordingly, the Company shall appoint an independent external agency to evaluate the performance of its statutory committees.

The following principles shall be adhered to by the Company for selection of an independent external agency:

- The Independent External Agency shall be appointed with prior No Objection Certificate (NOC) from SEBI and on such terms and conditions, including fees, timelines, etc. as may be approved by the Governing Board of the Company. The Company shall forward the details of the external agency to SEBI for prior NOC before appointment;

- The Independent External Agency shall have requisite domain knowledge, experience and expertise on matters concerning the securities market and/or functioning of the Statutory Committees of the Company;

- The Company shall ensure that there is no conflict of interest in the appointment of the Independent External Agency and the Agency had not been employed/hired by the Company for the evaluation period and till submission of the report. However, the Company can hire the services of the same Independent External Agency appointed for external evaluation of the Company, for external evaluation of its Statutory Committees, subject to compliance with the requirements stated above.

The minimum criteria for the independent external evaluation of performance of Statutory Committees of Company and their weightages are as under:

Sr.No.	Criteria	Weightage
1	Roles, Responsibilities and Duties of Statutory Committees	40%
2	Effectiveness of meetings of Statutory Committees	30%
3	Governance aspect of Statutory Committees	30%

The broad framework in this regard is attached as Annexure C.

The rating shall reflect the judgment of Independent External Agency and in line with rating framework provided in SEBI circular dated January 30, 2025.

Timelines for External Evaluation:

The independent external evaluation of Statutory Committees shall take place once in three years.

First such independent external evaluation shall be for the Financial Year 2024-25. The report of the same shall be submitted to the Governing Board of the Company and SEBI by September 30, 2025.

The subsequent independent external evaluation(s) shall be for a block of next three financial years and so on. Upon completion, a report shall be submitted to the Governing Board of the Company and SEBI within 6 months from the end of the third financial year to be evaluated.

GENERAL CONDITIONS:

1. Performance review shall be carried out in a fair & objective manner and the review shall be recorded with clarity and verifiable facts in the format specified hereinafter in the Policy.
2. The respective Directors who are subject to evaluation shall not participate in the discussion relating to the same.
3. Both internal evaluation and external evaluation shall carry equal weightage.

REVIEW:

The Policy shall be reviewed by the Nomination and Remuneration Committee as and when required or at least once in 2 years and changes made therein, if any, shall be approved by the Board.

DISCLOSURE:

In accordance with the requirement under the Companies Act, 2013, Rules framed thereunder and Listing Regulations, 2015, disclosures shall be made in the Board Report regarding the manner in which the performance evaluation has been done by the Board of Directors of its own performance, performance of various Committees of Directors and individual Directors. The criteria for performance evaluation shall be disclosed in the annual report as well as on the website of the Company.

Annexure A

CRITERIA FOR EVALUATION

The performance evaluation of the Directors as a member of the Board and the Committees will be conducted considering the following parameters.

Rating shall be done on the scale of 1 to 5

1. Disagree
2. Somewhat disagree
3. Somewhat agree
4. Agree
5. Strongly agree

A. CRITERIA AND FORMAT FOR INDIVIDUAL DIRECTORS AND IEP'S PERFORMANCE EVALUATION:

I. Availability and Attendance:

Sr.No.	Particulars as mentioned in the Criteria	*Rating*	*Remarks, if any*
a.	Shall be captured from records of meetings		

II. Qualifications & Experience:

Sr.No.	Particulars as mentioned in the Criteria	*Rating*	*Remarks, if any*
a.	Is qualified and having experience in area of law, finance, accounting, economics, management, administration or any other area relevant to the financial markets, including any recent updates in this regard.		

III. Knowledge and Competency:

Sr.No.	Particulars as mentioned in the Criteria	*Rating*	*Remarks, if any*
a.	Has sufficient understanding and knowledge of the entity in which it operates and the applicable regulatory norms.		
b.	Has sufficient understanding of the risk attached with the business structure.		

IV. Fulfilment of functions:

Sr.No.	Particulars as mentioned in the Criteria	*Rating*	*Remarks, if any*
a.	Understands and fulfils the functions assigned to him/her by the Board and the regulatory norms.		
b.	Gives views and opinion on various regulatory matters when comments are invited by SEBI through various means.		

V. Ability to function as a team:

Sr.No.	Particulars as mentioned in the Criteria	*Rating*	*Remarks, if any*
a.	Able to function as an effective team- member.		
b.	Listens attentively to the contributions of others and gives adequate weightage to the views and perception of other Board members.		
c.	Shares good interpersonal relationship with other members of the Board.		

VI. Initiative:

Sr.No.	Particulars as mentioned in the Criteria	*Rating*	*Remarks, if any*
a.	Actively takes initiative with respect to various areas.		
b.	Insists on receiving information necessary for decision making.		
c.	Keeps himself / herself well informed about the functioning of the Company and the external environment in which it operates.		
d.	Remains updated in terms of developments taking place in regulatory areas.		
e.	appropriately deals with critical matters.		

VII. Commitment:

Sr.No.	Particulars as mentioned in the Criteria	*Rating*	*Remarks, if any*
a.	Adequately committed to the Board and the Company.		

VIII. Contribution at meetings:

Sr.No.	Particulars as mentioned in the Criteria	*Rating*	*Remarks, if any*
a.	Is well informed of the agenda and well prepared on the issues to be discussed.		
b.	Provides meaningful and constructive contribution and inputs in meetings		
c.	Displays candor in expressing views even when they are in divergence with the rest of the Board.		
d.	Has contributed effectively to the Company and in the Board meetings.		
e.	Actively deliberates and contributes on proposed business propositions and strategic decisions taking into consideration pros and cons of such propositions, long term outlook, business goals, cost-benefit analysis, etc.		

IX. Integrity:

Sr.No.	Particulars as mentioned in the Criteria	*Rating*	*Remarks, if any*
a.	Strictly adheres to the provisions of the SEBI SECC Regulations, 2018, and any other regulatory provision, as applicable, along-with the code of conduct and code of ethics prescribed under other applicable regulatory norms.		
b.	Submits necessary disclosures such as dealing in securities and other regulatory disclosures on timely basis.		
c.	Submits confirmation on being a Fit & Proper person.		
d.	Ensures that he / she doesn't disclose confidential information, including technologies, unpublished price sensitive information, unless such disclosure is expressly approved by the Board of directors or required under the applicable laws.		

X. Independent views and judgment:

Sr.No.	Particulars as mentioned in the Criteria	*Rating*	*Remarks, if any*
a.	Exercises his/ her own judgment and voices opinion freely.		
b.	Participation in decisions taken during meetings are unbiased, based on ethical judgment and are in strict conformity to the applicable regulatory norms.		
c.	Raises his/her concern if anything is observed contrary to regulatory norms and the expected norms of ethical conduct.		
d.	Is committed to ensure that there is fairness and integrity in Company's system, in letter and spirit.		

XI. Guidance/Support to management outside Board/Committee meetings

Sr.No.	Particulars as mentioned in the Criteria	*Rating*	*Remarks, if any*
a.	Is accessible to the senior management of the Company and have built effective working relationships with them.		
b.	Provides a good degree of direction/guidance to senior management outside of meetings		
c.	Displays initiative with respect to follow up and closure of critical issues		
d.	He is proactive in efforts to gain knowledge about the Company, industry, sector and geography		

XII. Independence (Applicable only to PIDs):

Sr.No.	Particulars as mentioned in the Criteria	*Rating*	*Remarks, if any*
a.	Is independent from the Company and the other directors and there is no conflict of interest.		
b.	Submits confirmation for Non- association with the Trading Members/ Clearing members/ Associates/ Agents of the Company.		
c.	Keeps regulators informed of material developments in Company's functioning, from time to time.		
d.	Fulfils the Independence criteria as specified under section 149(6) of the Companies Act, 2013 and regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.		
e.	Has identified any important issues concerning any matter which may involve conflict of interest for the Company or may have significant impact on their functioning, or may not be in the interest of securities market, and reported same to SEBI.		
f.	Participates in the proceedings of Board meetings keeping in mind the interests of various stakeholders.		
g.	Demonstrates highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.).		

Point XII is not applicable to IEPs.

B. CRITERIA FOR EVALUATION OF THE BOARD (COLLECTIVELY)

Sr.No.	Particulars as mentioned in the Criteria	*Rating*	*Remarks, if any*
a.	Provides entrepreneurial leadership to the Company, setting the Company's strategic aims and ensuring necessary financial and human resources are in place to achieve its objectives.		
b.	Have a clear understanding of the Company's core business and strategic direction enabling them to effectively align Company's values and standards.		
c.	Maintains right level of contact with external stakeholders		
d.	Ensures that the integrity of financial controls and systems of risk management are robust and defensible		
e.	Makes well informed high quality decisions based on clear line of sight into the business		
f.	Monitors performance of management, maintain high standards of integrity and probity		
g.	Has open channels of communication with the management and others and is properly briefed		

h.	Responds positively and constructively to events in order to enable effective decisions and implementation and to encourage transparency		

C. CRITERIA FOR CHAIRPERSON'S PERFORMANCE EVALUATION

Sr.No.	Particulars as mentioned in the Criteria	*Rating*	*Remarks, if any*
a.	Provides effective leadership to the Board.		
b.	Sets an effective strategic agenda of the Board (in conjunction with the Company's management) with focus on long term value creation for all stakeholders.		
c.	Encourages active engagement by all the members of the Board and promote effective relationships and open communication.		
d.	Communicates effectively with all stakeholders and enable meaningful relationships, as required.		
e.	Motivates and provides guidance to the MD/CEO		

D. CRITERIA FOR PERFORMANCE EVALUATION OF BOARD COMMITTEES

Sr.No.	Criteria	*Rating criteria*	*Remarks, if any*
a.	Are the opposing views of the members given due consideration during the meetings?	*Yes-4* *No-1*	
b.	Are you satisfied with the working environment during the deliberation of the committee? (Can be physical infrastructure related, privacy, comfort, amenities and distraction free environment)	*Highly satisfied-4* *Satisfied- 2.5* *Needs Improvement-1*	
c.	Are each of the committee members consulted before finalizing a decision?	*Each one of them are consulted – 4* *Only a few of the members are consulted -1*	
d.	Do the members maintain the secrecy of the deliberations?	*Yes-4* *No-1*	
e	The frequency of Committee meetings is adequate and same is being adhered to	*1 – Disagree* *2 – Somewhat disagree* *3 – Somewhat agree* *4 – Agree* *5 – Strongly agree*	
f	Agenda notes are comprehensive, sent timely and presented in a way that facilitates productive discussion	*1 – Disagree* *2 – Somewhat disagree*	

		3 – Somewhat agree *4 – Agree* *5 – Strongly agree*	
g	Sufficient time is spent in discussing critical issues/issues of strategic importance	*1 – Disagree* *2 – Somewhat disagree* *3 – Somewhat agree* *4 – Agree* *5 – Strongly agree*	
h	All members have clarity of their role and responsibilities and are able to speak freely and contribute effectively on key issues	*1 – Disagree* *2 – Somewhat disagree* *3 – Somewhat agree* *4 – Agree* *5 – Strongly agree*	
i	Effective implementation of suggestions received from Committee members is ensured	*1 – Disagree* *2 – Somewhat disagree* *3 – Somewhat agree* *4 – Agree* *5 – Strongly agree*	
j	There is adequate dialogue and participation from members on critical issues/issues of strategic importance	*1 – Disagree* *2 – Somewhat disagree* *3 – Somewhat agree* *4 – Agree* *5 – Strongly agree*	
k	Conflict/differences of opinion between members are managed constructively	*1 – Disagree* *2 – Somewhat disagree* *3 – Somewhat agree* *4 – Agree* *5 – Strongly agree*	
l	There is good co-ordination and cohesiveness in the working of the Board, management and the committee	*1 – Disagree* *2 – Somewhat disagree* *3 – Somewhat agree* *4 – Agree* *5 – Strongly agree*	
m	Recommendations of the Committee are implemented by the management as per the timelines provided by the Committee. Any delay therein is clarified by the management	*1 – Disagree* *2 – Somewhat disagree* *3 – Somewhat agree* *4 – Agree*	

		5 – Strongly agree	
n	How would you rate the Chairperson's leadership? (Question not applicable to committee chairperson)	*Excellent – 4* *Very Good – 3* *Good – 2* *Not sure - 1*	
For PIDs only			
o	Are the PIDs of the committee allowed to independently meet any of the KMPs/ external experts/ Auditors	*Yes – 4* *No -1*	
p	Have the PIDs of the committee been allocated adequate resources to independently engage external experts to deal with complicated agenda items?	*Yes – 4* *No -1*	
q	Do you agree that as a PID you are free from the influence of the senior management/ other committee members in your decision making?	*Yes – 4* *No -1*	

Annexure-B

Skill evaluation metrics to assess the applications for appointment or reappointment of Directors

Criterion	Weightage	Grouping	Indicative Parameters for Assessing the same
1. Value Assessment (Core personal attributes)	30%	(i) High Standards of Ethical Behaviour **(30%)**	• No instances of bribery, fraud, or malpractice. • No instances of misuse/ abuse of any position/ power. • Violation of any Acts, Rules, Regulations, Guidelines, Code, etc. • High degree of interpersonal skills and repute amongst peers and industry professionals. • Comments of MIIs in case of any adverse comments by an independent HR agency.
		(ii) Potential Conflict of Interest **(30%)**	• If there are any business interests / conflicts which were not disclosed. • If there are connections to competitors or other parties that may impede independence. • Whether such candidate has been a material supplier, service provider or customer (other than the user) of the MII or its subsidiary or has/had any other pecuniary relationship with MII or its subsidiary in the preceding three financial years. • Association of candidate / relative of candidate with the MII or its subsidiary or its associates in the capacity of director, advisor, KMP, etc. in any direct or indirect manner. • Association of candidate / relative of candidate with any major vendor of the MII or its subsidiary or its associates in the capacity of promoter, director, KMP, etc. • Association with any trading member or clearing member or their associates and agents of any MII

Criterion	Weightage	Grouping	Indicative Parameters for Assessing the same
		(iii) Integrity (**30%**)	• Civil Proceedings, if any, related to Financial and Ethical matters. • Criminal Proceedings, if any, related to Financial and Ethical matters. • If the individual has been involved in civil or criminal proceedings, frauds, offences involving moral turpitude, corruption charges, abuse of various positions held etc. and if yes, o Parties to the issue. o Status of such cases. • Credit and Reputation Risk database check. • Criminal Records Database Checks. • Civil Litigation Database Checks. • Compliance Authorities Database Checks. • Regulatory Authorities Database Checks. • Web and Media Searches. • Serious and Organized Crimes Database Checks. • Comments of MII
		(iv) Availability (**5%**)	• No. of other directorships currently held / Other services provided in personal capacity, and time allotted for the same. • Whether the individual has sufficient time based on current professional obligations, for informed and balanced decision making. • Attendance record (In case of reappointment of the director).
		(v) Political affiliations (**5%**)	• Whether the individual or his/her relative is a politically exposed person. (**A politically exposed person (PEP) is an individual with a high-profile political role, or someone who has been entrusted with a prominent public function.)**

Criterion	Weightage	Grouping	Indicative Parameters for Assessing the same
2. General Competencies (General skillsets for MII Board level appointment)	30%	(i) Qualification, experience, and knowledge in the relevant skill set. (**50%**)	• Educational Qualifications. • Professional experience and knowledge. • Key assignments handled in past; attributable to the relevant skillset required by the MII. • Major achievements/career milestones. • Relevant and important Seminars/ webinars/ symposium/ conferences etc. addressed. • Contribution to Industry associations, professional memberships & academia, etc. • Policy advocacy. • Part of relevant committees (like RBI/SEBI, etc.).
		(ii) Leadership responsibilities (Corporate Governance, Strategy, and planning, etc.) (**50%**)	• Directorships / Committee memberships held in other Companies. • Communication skills, People management skills, Accountability. • Extended leadership experience resulting in a practical understanding of organizations, processes, strategic planning, and risk management. • Demonstrated strengths in developing talent, planning succession, driving change and long-term growth.
3. Domain Expertise (Specialised competencies)	30%	(i) Technology (Fintech/ Block chain/Cyber Security/ Artificial Intelligence/ Machine Learning etc.) **(25%)**	• Significant background in the field of technology and digitisation, envisage new technological business trends, generate disruptive innovation and experience in creating new business models through technology. • Expertise or experience in information technology business, technology consulting and operations, emerging areas of technology such as digital, cloud and cyber security, intellectual property in information technology domain etc. relevant to MIIs

Criterion	Weightage	Grouping	Indicative Parameters for Assessing the same
		(ii) Legal and Regulatory practices**(25%)**	• Preferred experience in Securities Law. • Significant background in the field of law or having experience of working with a regulator with respect to framing, implementation or monitoring of the various applicable industry specific laws.
		(iii) Finance and accounting **(25%)**	• Leadership or relevant experience of working in a financial firm or management of the finance function of an enterprise, proficiency in complex financial management, capital allocation, and financial reporting processes, or experience in actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor, or person performing similar function.
		(iv) Capital Markets **(25%)**	• Significant background in the field of capital market. Understanding of the functioning/mechanism of capital markets, its products, and its participants. • Experience in identifying and evaluating the significant risk exposures to the business strategy of the Company and assess the Management's actions to mitigate strategic, legal and compliance, and operational risk exposures. • Ability to identify and evaluate the significant risk affecting the business operations of the Company and to monitor the effectiveness of risk management framework and practices.
4. MII Board Composition (Reduce Skill gap in the MII Board)	10%	Qualifications and experience in the areas of capital markets, finance and accountancy, legal and regulatory practice,	• Fulfilling the requirement as per regulatory norms and desired skillset matrix of Board of directors of MII. • Based on new skill requirement assessment vis-à-vis skills and experiences of existing Board of directors of an MII. • Possession of any additional/multiple skill sets, other than the desired skill set for which the person is being considered for the position of a PID. • A competency matrix detailing desired technical/functional (domain expertise) competencies vs competencies as captured from candidate profile.

Criterion	Weightage	Grouping	Indicative Parameters for Assessing the same
		technology, risk management and management or administration (**100%**)	

Annexure C

Annexure-A: Parameters for evaluation of performance of Statutory Committees of MIIs by External Agency												
Criteria	**Sub-Parameter**	**Nature of Parameters**	**Sample KPIs**	**Rating Metric Scale**	**Rating Metric Weightage (A)**	**Metric Rating by Evaluator (B)**	**Metric Score (A*B)**	**Sub-Parameter Score (C)**	**Sub-Parameter Weightage (D)**	**Final Score**	**Rationale for assigning the rating by the Evaluator**	**Observations**
1. Roles, Responsibilities and Duties of Statutory Committee(s) (40%)	(i) Review of matters related to the Statutory Committee(s) as per the Terms of Reference (ToR) (including the TOR prescribed by SEBI) (50%)	Quantitative Parameters (50%)	Coverage of ToR by the Committee	1) 100% - 4 2) <100% - 1	50%		0	0	50%	0		
			Action taken on SEBI inspection observations related to the Committee, if any.	Implemented within the prescribed timelines: 1) 100% - 4 2) <100% - 1 In case there is no observation from SEBI inspection related to the Committee, a rating score of 4 may be assigned.	20%		0					
			Adherence to policies, codes and SOPs relevant to the ToR of the Committee for its effective functioning.	1) 100% - 4 2) <100% - 1	20%		0					
			Implementation of recommendations of the Governing Board of the MII in achieving the stated objectives of the Committee.	1) 100% - 4 2) <100% - 1 In case there is no recommendation from the governing board, a rating score of 4 may be assigned.	10%		0					
		Qualitative Parameters (50%)	Review of the functioning of the Committee vis-à-vis its ToR and material deviations, if any.	The rating score shall be based on the	40%		0					

Annexure-A: Parameters for evaluation of performance of Statutory Committees of MIIs by External Agency												
Criteria	**Sub-Parameter**	**Nature of Parameters**	**Sample KPIs**	**Rating Metric Scale**	**Rating Metric Weightage (A)**	**Metric Rating by Evaluator (B)**	**Metric Score (A*B)**	**Sub-Parameter Score (C)**	**Sub-Parameter Weightage (D)**	**Final Score**	**Rationale for assigning the rating by the Evaluator**	**Observations**
			Comprehensiveness of policies, codes, SOPs, etc. for effective functioning of the Committee in terms of its ToR.	judgement of the evaluator.	40%		0					
			Effectiveness of the steps taken towards achieving the stated ToR.		20%		0					
	(ii) Review of roles and responsibilities of Committee members (25%)	Quantitative Parameters (50%)	Participation in meetings of the Committee	If attendance of each member is 1) more than 90% - 4 2) more than 85% but less than 90% - 3 3) more than 80% but less than 85% - 2 and 4) 80% or less - 1	50%		0	0	25%	0		
			Examination and implementation of suggestions received from Committee members	Implementation of accepted suggestions 1) 100% - 4 2) more than 95% but less than 100% - 3 3) more than 90% but less than 95% - 2 and 4) 90% or less - 1	50%		0					
		Qualitative Parameters (50%)	Role of the Chairman of the Committee in ensuring smooth and effective functioning of the activities of the Committee.	The rating score shall be based on the	25%		0					

Annexure-A: Parameters for evaluation of performance of Statutory Committees of MIIs by External Agency												
Criteria	**Sub-Parameter**	**Nature of Parameters**	**Sample KPIs**	**Rating Metric Scale**	**Rating Metric Weightage (A)**	**Metric Rating by Evaluator (B)**	**Metric Score (A*B)**	**Sub-Parameter Score (C)**	**Sub-Parameter Weightage (D)**	**Final Score**	**Rationale for assigning the rating by the Evaluator**	**Observations**
			Approach of the Committee to discuss and deliberate on important and complex issues with relevant KMPs, industry experts, etc.	judgement of the evaluator.	25%		0					
			Receptiveness to opposing views of certain Committee members.		25%		0					
			The working environment during deliberations of the Committee.		25%		0					
	(iii) Industry Acquaintance (25%)	Quantitative Parameters (50%)	Relevant skill-set, educational qualification, experience, expertise, etc. of Committee members for effective functioning of the Committee.	Yes - 4 No - 1	30%		0	0	25%	0		
			Periodic training or knowledge upgradation programs attended by the Committee members.	Yes - 4 No - 1	30%		0					
			Average no. of years of experience of each Committee members in Capital Markets (including Commodities Markets)/ Finance & Accountancy/ Legal & Regulatory/ Technology/ Risk Management/ Administration.	1) More than 15 years - 4 2)13 to 15 years - 3 3) 10 to 12 years -2 4) Less than 10 years - 1	40%		0					
		Qualitative Parameters (50%)	Contribution of Committee members for efficient and effective discharge of the stated objectives.	The rating score shall be based on the judgement of the evaluator	40%		0					
			Willingness of the Committee to understand new developments (Both internal and external) and steps taken for the same.		30%		0					
			Mechanism to interact and learn from peers, if any.		30%		0					

Annexure-A: Parameters for evaluation of performance of Statutory Committees of MIIs by External Agency												
Criteria	**Sub-Parameter**	**Nature of Parameters**	**Sample KPIs**	**Rating Metric Scale**	**Rating Metric Weightage (A)**	**Metric Rating by Evaluator (B)**	**Metric Score (A*B)**	**Sub-Parameter Score (C)**	**Sub-Parameter Weightage (D)**	**Final Score**	**Rationale for assigning the rating by the Evaluator**	**Observations**
2. Effectiveness of Meetings of Statutory Committee(s) (30%)	(i) Compositions of Statutory Committee (25%)	Quantitative Parameters (50%)	Composition in accordance with SEBI norms and same was adhered to during the period of evaluation.	Yes - 4 No - 1	50%		0	0	25%	0		
			Periodic assessment of skill set requirements of the Committee considering changing business and regulatory environment for the MII.	Yes - 4 No - 1	25%		0					
			Periodic review of the Succession Planning Policy of the Committee, if any.	Yes - 4 No - 1	25%		0					
		Qualitative Parameters (50%)	Qualification, experience and skill-set diversity of Committee Members.	The rating score shall be based on the judgement of the evaluator	75%		0					
			Effectiveness of the succession planning mechanism to meet unplanned / planned incumbencies for Statutory Committee.		25%		0					
	(ii) Adherence to the periodicity and administration of meetings (25%)	Quantitative Parameters (50%)	Adherence to the mandated periodicity of meeting.	Yes - 4 No - 1	10%		0	0	25%	0		
			Whether the minutes of the Committee meeting was placed before the Governing Board of the MII on timely manner?	Yes - 4 No - 1	10%		0					
			Whether the calendar for meeting(s) of the Committee are planned well in advance.	1) More than 90 days before the meeting - 4 2) 45 days to 90 days before the meeting - 3 3) 15 days to 45 days before the meeting -2 1) Less than 15 days before the meeting -1	20%		0					

Annexure-A: Parameters for evaluation of performance of Statutory Committees of MIIs by External Agency												
Criteria	**Sub-Parameter**	**Nature of Parameters**	**Sample KPIs**	**Rating Metric Scale**	**Rating Metric Weightage (A)**	**Metric Rating by Evaluator (B)**	**Metric Score (A*B)**	**Sub-Parameter Score (C)**	**Sub-Parameter Weightage (D)**	**Final Score**	**Rationale for assigning the rating by the Evaluator**	**Observations**
			Whether all the important matters concerning the Committee were discussed?	Yes - 4 No - 1	20%		0					
			Number of Meetings attended by each member.	1) Minimum 91 - 100% attendance - 4 2) Between 81 - 90% attendance - 3 3) Between 70 - 80% attendance - 2 4) Less than 70% - 1	10%		0					
			Do the Committee have Standard Operating Procedure (SOP) for its effective administration and functioning.	Yes - 4 No - 1	20%		0					
			Mechanism in place to facilitate remote participation in meetings of the Committee and maintenance of deliberations of the meeting.	Yes - 4 No - 1	10%		0					
		Qualitative Parameters (50%)	Remarks on Proper and efficient scheduling of meetings	The rating score shall be based on the judgement of the evaluator	25%		0					
			Remarks on cancellation of meeting(s) of the Committee, if any.		25%		0					
			Remarks on scheduling of unplanned meetings of the Committee, if any.		25%		0					
			How easily the deliberations of past meetings of the Committee can be accessible.		25%		0					
	(iii) Review of implementation of		Mechanism in place to monitor, review and report status of implementation of	Yes - 4 No - 1	20%		0	0	25%	0		

Annexure-A: Parameters for evaluation of performance of Statutory Committees of MIIs by External Agency												
Criteria	**Sub-Parameter**	**Nature of Parameters**	**Sample KPIs**	**Rating Metric Scale**	**Rating Metric Weightage (A)**	**Metric Rating by Evaluator (B)**	**Metric Score (A*B)**	**Sub-Parameter Score (C)**	**Sub-Parameter Weightage (D)**	**Final Score**	**Rationale for assigning the rating by the Evaluator**	**Observations**
	recommendations of the Committee(s) (25%)	Quantitative Parameters (50%)	earlier recommendations of the Committee.									
			Whether the actionable recommendations of the Committee were assigned as Key Result Areas (KRAs) to relevant KMPs?	Yes - 4 No - 1	20%		0					
			Status of implementation of recommendations/ decisions of the Committee.	If implementation status is 1) More than 90% - 4 2) More than 80% but less than or equal to 90% - 3 3) More than 70% but less than or equal to 80% - 2 4) Less than or equal to 70% - 1	20%		0					
			Pendency time frame (based on the date of completion agreed upon by the committee)	Pending beyond implementation date: 1) 0 - 3 months - 4 2) Beyond 3 months - 1	20%		0					
			Whether in case of delay in implementation or non-implementation of any recommendation of the Committee, individual accountability is assigned?	Yes - 4 No - 1	20%		0					

Annexure-A: Parameters for evaluation of performance of Statutory Committees of MIIs by External Agency												
Criteria	**Sub-Parameter**	**Nature of Parameters**	**Sample KPIs**	**Rating Metric Scale**	**Rating Metric Weightage (A)**	**Metric Rating by Evaluator (B)**	**Metric Score (A*B)**	**Sub-Parameter Score (C)**	**Sub-Parameter Weightage (D)**	**Final Score**	**Rationale for assigning the rating by the Evaluator**	**Observations**
		Qualitative Parameters (50%)	Comments on the existing practice of implementation of various recommendations of the Committee.	The rating score shall be based on the judgement of the evaluator	50%		0					
			Remedial actions taken, if any, for delay in implementation or non-implementation of recommendations of the Committee.		50%		0					
	(iv) Meeting Effectiveness (25%)	Quantitative Parameters (50%)	Timely circulation of Agenda	Yes - 4 No - 1	20%		0	0	25%	0		
			Status on deliberation of agendas placed before the Committee.	1) Deliberations on all agendas - 4 2) Deliberations on 90 to 100% of total agendas - 3 3) Deliberations on 80 to 90% of total agendas - 2 4) Deliberations on less than 80% agendas - 1	20%		0					
			While finalizing the recommendations, whether the Committee examined the regulatory aspect of the matter?	Yes - 4 No - 1	20%		0					
			All the required information and data points for each agenda were presented and any clarifications sought were responded.	Yes - 4 No - 1	20%		0					
			Adherence to timelines for responding to clarification sought.	Yes - 4 No - 1	20%		0					

Annexure-A: Parameters for evaluation of performance of Statutory Committees of MIIs by External Agency												
Criteria	**Sub-Parameter**	**Nature of Parameters**	**Sample KPIs**	**Rating Metric Scale**	**Rating Metric Weightage (A)**	**Metric Rating by Evaluator (B)**	**Metric Score (A*B)**	**Sub-Parameter Score (C)**	**Sub-Parameter Weightage (D)**	**Final Score**	**Rationale for assigning the rating by the Evaluator**	**Observations**
		Qualitative Parameters (50%)	Mechanism to ensure that the minutes of the meetings captures the essence of discussions, other relevant information and finalised in the prescribed manner.	The rating score shall be based on the judgement of the evaluator	25%		0					
			The Committee apprise the Governing Board on their recommendation.		25%		0					
			Cohesive environment for open discussion.		25%		0					
			Consultative approach followed by the Committee before finalizing their recommendations.		25%		0					
3. Governance Aspects of Statutory Committee(s) (30%)	(i) Good governance practices (40%)	Quantitative Parameters (50%)	Whether the functioning of the Committee at any point of time was in conflict with the role of the MII as a Public Utility Infrastructure Service provider?	Yes - 1 No - 4	20%		0	0	40%	0		
			Whether any of the member of the Committee violated the Code of Conduct applicable to them?	Yes - 1 No - 4	20%		0					
			Whether at any point of time, the Committee had given higher priority to commercial consideration than the role of a first level regulator?	Yes - 1 No - 4	20%		0					
			Whether the directorship of any of the Committee member on the board of other company(ies) had conflict of interest with the functioning of the MII?	Yes - 1 No - 4	20%		0					
			Whether the secrecy and confidentiality of deliberations of the Committee maintained by all the members?	Yes - 4 No - 1	20%		0					

Annexure-A: Parameters for evaluation of performance of Statutory Committees of MIIs by External Agency												
Criteria	**Sub-Parameter**	**Nature of Parameters**	**Sample KPIs**	**Rating Metric Scale**	**Rating Metric Weightage (A)**	**Metric Rating by Evaluator (B)**	**Metric Score (A*B)**	**Sub-Parameter Score (C)**	**Sub-Parameter Weightage (D)**	**Final Score**	**Rationale for assigning the rating by the Evaluator**	**Observations**
		Qualitative Parameters (50%)	Efforts taken by the Committee to uphold ethical standards of integrity and probity.	The rating score shall be based on the judgement of the evaluator	20%		0					
			How often the Committee brought to the notice of the Governing Board the matters concerning the functioning of the MII?		10%		0					
			How often had the members of the Committee expressed their dissent for certain agendas?		10%		0					
			Process to identify conflict of interest of members of the Committee, if any.		20%		0					
			Reviewing concerns about unethical behaviour, actual or suspected fraud or violation of the code of conduct and steps taken to address the same.		20%		0					
			Maintenance, storage, safe-keeping of records relating to meetings of the Committee.		10%		0					
			Instances of allegations and complaints against Committee members.		10%		0					
	(ii) Independence of Public Interest Directors (PIDs) as member of the Committee (30%)	Quantitative Parameters (50%)	Is there any mechanism for interaction of PIDs as member of the Committee with relevant KMPs, Industry Experts, Auditors, etc.	Yes - 4 No - 1	50%		0	0	30%	0		
			Whether the PIDs as member of the Committee brought matters (known to them) to the notice of the regulator concerning functioning of the MII?	Yes - 4 No - 1	50%		0					

Annexure-A: Parameters for evaluation of performance of Statutory Committees of MIIs by External Agency												
Criteria	**Sub-Parameter**	**Nature of Parameters**	**Sample KPIs**	**Rating Metric Scale**	**Rating Metric Weightage (A)**	**Metric Rating by Evaluator (B)**	**Metric Score (A*B)**	**Sub-Parameter Score (C)**	**Sub-Parameter Weightage (D)**	**Final Score**	**Rationale for assigning the rating by the Evaluator**	**Observations**
		Qualitative Parameters (50%)	Whether PIDs as member of the Committee have allocated adequate resources or have access to engage any independent firm/agency to seek legal advice for matters placed before the Committee for deliberation?	The rating score shall be based on the judgement of the evaluator.	50%		0					
			Views of PIDs as member of the Committee on independent decision making.		50%		0					
	(iii) Updating the Board of critical matters discussed in the Committee (30%)	Quantitative Parameters (50%)	Is there any mechanism in place to identify critical matters under the purview of the Committee?	Yes - 4 No - 1	25%		0	0	30%	0		
			Whether all critical matters under the purview of the Committee were brought to the notice of the Governing Board?	Yes - 4 No - 1	25%		0					
			Whether the critical matters under the purview of the Committee were informed to the Governing Board within the stated timelines?	Yes - 4 No - 1	25%		0					
			Whether the directions of the Governing Board on critical matters under the purview of the Committee, if any, were implemented within the stated timelines?	Yes - 4 No - 1	25%		0					
		Qualitative Parameters (50%)	Comments on the mechanism to handle critical matters under the purview of the committee.	The rating score shall be based on the judgement of the evaluator	100%		0					