

K Z LEASING AND FINANCE LIMITED

POLICY FOR EVALUATING THE PERFORMANCE OF DIRECTORS



OBJECTIVE:

This objective behind formulating this policy is to:

- (i) Ensure compliance of the applicable provisions of the Companies Act, 2013 (the Act) and the Listing Agreement entered into with the Stock Exchanges (as amended or re-enacted 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 seamless manner.
- (iii) achieve good corporate governance as well as sustained long-term value creation for stakeholders.
- (iv) Ensuring that the committees to which the Board of Directors has delegated specific responsibilities are performing efficiently in conformity with the prescribed functions and duties.

EVALUATION:

- a) The Nomination and Remuneration Committee (NRC) shall carry out the evaluation of performance of every Director. The evaluation of performance of the Independent Directors (IDs) shall also be carried out by the entire Board of Directors excluding the Director being evaluated. Evaluation performance should be carried out atleast once in a year.
- b) While evaluating the performance of the Non Executive Directors (NEDs), the following parameters shall be considered:
 - (i) Attendance at meetings of the Board and Committees thereof,
 - (ii) Participation in Board meetings or Committee thereof,
 - (iii) Contribution to strategic decision making,
 - (iv) Review of risk assessment and risk mitigation,
 - (v) Review of financial statements, business performance.
 - (vi) Contribution to the enhancement of brand image of the Company.

- c) While evaluating the performance of the Managing Director and the Wholetime Director, the Nomination and Remuneration Committee shall always consider the appropriate benchmarks set as per industry standards, the performance of the individual and also of the Company.
- d) Evaluation of performance shall be carried out at least once a year.
- e) The Company shall provide if required, suitable technical or business related training to the Non-Executive Directors including Independent Directors. Any other need based training shall also be provided

Responsibility of the Board:

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

- a) Discuss and analyze its own performance during the year together with suggestions for improvement thereon, pursuant to the performance objectives.
- b) Review performance evaluation reports of various committees along with their suggestions on improving the effectiveness of the committee.
- c) Review the various strategies of the Company and accordingly set the performance objectives for Directors.

DISCLOSURES:

- a) In the Board's Report:

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' performance.

- b) On Company's official website:

The Policy is to be made available on Company's official website.

c) In the annual report:

The key features of this Policy are to be included in the corporate governance statement contained in the annual report of the Company

POLICY REVIEW:

The Board of Directors will review this policy and make revisions as may be required from time to time which will be uploaded on the Company's Website.

