



PERFORMANCE EVALUATION OF DIRECTORS POLICY

Version	Effective Date	Review Date	Prepared by	Reviewed by	Approved by
1.0	November 08, 2019	November 08, 2019	Alaka Chanda Company Secretary and Compliance Officer	Ravi Vishwanath- Chief Financial Officer	Board of Directors

TeamLease Services Limited Restricted

This Performance Evaluation of Directors Policy is not to be copied or distributed without the express written consent of TeamLease Services Limited. No part of this document may be used for purposes other than those intended by TeamLease Services Limited.

Amendment: Any change in this Performance Evaluation of Directors Policy (Policy) shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.



1. INTRODUCTION:

Board Evaluation is the most effective way to ensure Board Members understand their duties and to adopt effective good governance practices.

To be effective, Boardroom appraisals need to have specific, clearly defined steps and practices, and a special commitment from the Board. The evaluation process endorses the Board Members' confidence in the ethical standards of the Company, the resilience of the Board and Management in navigating the Company during challenging times, cohesiveness amongst the Board Members, constructive relationship between the Board and the Management and the openness of the Management in sharing strategic information to enable the Board Members to discharge their responsibilities. It is specifically informed that directors subject to evaluation shall not participate in the own evaluation process.

The Company Secretary shall, for and on behalf of the Nomination and Remuneration Committee (NRC) initiate the process of Board Evaluation and shall submit the report/outcome of the Board Evaluation, to the Board Members on the completion of Board Evaluation process.

2. EVALUATION MECHANISM MATRIX:

CATEGORY	EVALUATION BY:
Chairman	Entire Board of Directors, excluding the Chairman himself
Board as a whole	Entire Board of Directors
Committees	Members of the respective Committee
Independent Directors	Entire Board of Directors, excluding the Independent Director being evaluated
Executive Directors	Entire Board of Directors, excluding the Executive Director being evaluated

3. PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS:

The Companies Act, 2013 and SEBI Listing Obligation and Disclosure Regulations has enabled an evaluation mechanism to appraise the performance of the Independent Directors. Criteria for evaluation shall be laid by Nomination and Remuneration Committee and the criteria shall be disclosed in the Annual Report of the Company. The performance of Independent Directors shall be done by the entire Board of Directors (excluding the Director being evaluated). On the basis of evaluation, it shall be determined whether to extend or continue the terms of appointment of the said Director.

The Nomination and Remuneration Committee shall carry out yearly Performance Evaluation for all Board members. The evaluation of Independent Directors shall be done by the entire Board of Directors which shall include

- (a) performance of the directors; and
- (b) fulfillment of the independence criteria as specified in these Regulations and their independence from the management
- (c) On the basis of the report of Performance Evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director

Company Secretary and Compliance Officer will undertake the process annually for and on behalf of the Nomination and Remuneration Committee and submit the report to Nomination and Remuneration Committee Chairman.

Nomination and Remuneration Committee Chairman will present it to the Board Chairman and discuss it during Board Meeting. He may also discuss it during Independent Directors' Meeting.



4. CRITERIA FOR EVALUATION OF THE DIRECTORS:

The evaluation of the directors shall be on the parameters/ traits as reflected in the Code of Ethics for the Board of Directors and Code of Conduct for Independent Directors of the Company.

Evaluation of the Board

Evaluation of the Board shall be based on criteria such as composition and role of the Board, communication and relationships between the Board of Directors, functioning of Board Committees, review of performance and compensation to Executive Directors, succession planning, strategic planning, etc.

Evaluation of Directors

Evaluation of Directors shall be based on criteria such as participation and contribution in Board and Committee meetings, representation of shareholder interest and enhancing shareholder value, experience and expertise to provide feedback and guidance to top management on business strategy, governance and risk, understanding of the organization’s strategy, risk and environment, etc.

Evaluation of Committees

Evaluation of Committees shall be based on criteria such as adequate independence of each Committee, frequency of meetings and time allocated for discussions at meetings, functioning of Board Committees and effectiveness of its advice/recommendation to the Board, etc.

Evaluation of the Independent Directors

The Performance Evaluation of the Independent Directors shall be carried out by the entire Board. Some of the performance indicators, based on which the Independent Directors are evaluated include:

- The ability to contribute to and monitor our corporate governance practices.
- The ability to contribute by introducing international best practices to address business challenges and risks.
- Active participation in long-term strategic planning.
- Commitment to the fulfillment of a Director’s obligations and fiduciary responsibilities; these include participation in Board and Committee meetings.
- Performance of the directors
- Fulfillment of the independence criteria as specified in these regulations and their independence from the management:

Evaluation of the Chairman and Managing Director

The Performance Evaluation of the Chairman and Managing Director shall be carried out by the Independent Directors.
